DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

THIRD SESSION—EIGHTEENTH PARLIAMENT

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2 GEORGE VI, 1938

VOLUME I, 1938

COMPRISING THE PERIOD FROM THE TWENTY-SEVENTH DAY OF JANUARY, 1938, TO THE THIRD DAY OF MARCH, 1938, INCLUSIVE

BEING

VOLUME CCXIV FOR THE PERIOD 1875-1938

INDEX ISSUED IN A SEPARATE VOLUME



OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1938

HOUSE OF COMMONS

DEBATES

OF THE

OFFICIAL REPORT

OF THE

DOMINION OF CANADA

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, January 27, 1938

THIRD SESSION—EIGHTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the twenty-seventh day of January, 1938, met this day at Ottawa, for the dispatch of business.

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

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

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

Mr. Speaker, 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 chamber.

And the house being returned to the Commons chamber:

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that during the recess I received communications from several members, notifying me that the following vacancies had occurred in the representation, viz:

Of Colin Alexander Campbell, Esquire, member for the electoral district of Frontenac-Addington, by resignation;

Of Daniel Alexander Cameron, Esquire, member for the electoral district of Cape Breton North-Victoria, by decease;

Of Hon. William Earl Rowe, member for the electoral district of Dufferin-Simcoe, by resignation;

Of Hon. Simon Fraser Tolmie, member for the electoral district of Victoria, B.C., by decease;

Of Joseph Achille Verville, Esquire, member for the electoral district of Lotbiniere, by decease;

Of Paul Mercier, Esquire, member for the electoral district of St. Henry, consequent upon the acceptance of an office of emolument under the crown;

Of Right Hon. Sir George Halsey Perley, G.C.M.G., member for the electoral district of Argenteuil, by decease;

Of William Michael Ryan, Esquire, member for the electoral district of St. John-Albert, by decease.

I accordingly issued my several warrants to the chief electoral officer to make out new writs of election for the said electoral districts, respectively.

NEW MEMBERS

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the chief electoral officer certificates of the elections and return of the following members, viz:

Of Ralph Melville Warren, Esquire, for the electoral district of Renfrew North;

Of Matthew MacLean, Esquire, for the electoral district of Cape Breton North-Victoria;

Of Angus Neil McCallum, Esquire, for the electoral district of Frontenac-Addington;

Of the Hon. William Earl Rowe, for the electoral district of Dufferin-Simcoe;

Of Robert Wellington Mayhew, Esquire, for the electoral district of Victoria (B.C.);

Of Joseph Napoleon Francœur, Esquire, for the electoral district of Lotbiniere.

NEW MEMBERS INTRODUCED

Ralph Melville Warren, Esquire, member for the electoral district of Renfrew North, introduced by Right Hon. W. L. Mackenzie King and Hon. Norman McL. Rogers.

Matthew MacLean, Esquire, member for the electoral district of Cape Breton North-Victoria, introduced by Right Hon. W. L. Mackenzie King and Hon. J. L. Ilsley.

Angus Neil McCallum, Esquire, member for the electoral district of Frontenac-Addington, introduced by Right Hon. W. L. Mackenzie King and Hon. Norman McL. Rogers.

Joseph Napoleon Francœur, Esquire, member for the electoral district of Lotbiniere, introduced by Right Hon. W. L. Mackenzie King and Right Hon. Ernest Lapointe.

OATHS OF OFFICE

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

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

Honourable Members of the Senate:

Members of the House of Commons:

It affords me much pleasure to greet you upon the resumption of your parliamentary duties.

The interval which has elapsed since the last session witnessed the coronation, in the month of May, of Their Majesties King George the Sixth and Queen Elizabeth. The event was one of special significance to the nations of the British Commonwealth. In the coronation service and ceremonial, recognition was given to the relationship between the sovereign and his peoples in the several dominions, as embodied in the Statute of Westminster.

Members of the government participated in the deliberations of the Imperial Conference which followed immediately after the coronation. The summary of proceedings of the conference will be placed before you at an early date for your consideration. It is the belief of the government that the opportunities afforded for the exchange of views and information on questions of common interest and concern, will serve to further the well-being of all parts of the commonwealth.

It is gratifying to note that, during the past year, there has been a further substantial advance in Canada's economic recovery. Revenues have reached new levels. Trade with other countries has materially expanded. There has been a general increase in employment and a marked decrease in the numbers receiving unemployment aid.

The recurrence, in a more acute form, of drought conditions in certain areas of western Canada has unfortunately made it necessary to provide assistance on an unprecedented scale. The government intends to continue its activities under the Prairie Farm Rehabilitation Act.

In view of the success which has attended efforts to assist in the training of unemployed young people, it is proposed to extend the scheme during the coming year.

[Mr. Speaker.]

The Department of Agriculture has been reorganized and its services consolidated along lines designed to improve the standard and acceptability of Canadian farm products.

Arrangements are being completed for the inauguration of a national trans-Canada air service.

The National Employment Commission, the royal commission appointed to inquire into conditions in the textile industry, and the commission appointed under the provisions of the Veterans' Assistance Commission Act, 1936, have concluded their duties. The reports of these commissions will be tabled in due course.

The strains and stresses, which economic and social developments since confederation have placed upon Canada's governmental structure, have disclosed the necessity for adjustments which will enable it the more effectively to serve provincial and national needs, and to promote and preserve Canadian unity. My ministers are of the opinion that, with exact and adequate information, it should be possible for the appropriate authorities to work out satisfactory solutions. As a first step towards this end, a royal commission of inquiry has been appointed to re-examine the economic and financial basis of Confederation and the distribution of legislative powers in the light of the new conditions which have arisen in the past seventy years. The commission has already held sittings in many parts of the Dominion.

The cooperation of the provinces has been sought with a view to an amendment of the British North America Act, which would empower the parliament of Canada to enact forthwith a national scheme of unemployment insurance. My ministers hope the proposal may meet with early approval, in order that unemployment insurance legislation may be enacted during the present session of parliament.

Members of the House of Commons will be invited to consider the report of the special committee on Elections and Franchise Acts, and you will be asked to enact such legislation as may be necessary to implement such of the committee's recommendations as meet with their approval.

A measure will be submitted to extend the authority of the Board of Railway Commissioners.

Legislation will be introduced with a view to furthering the principle of parliamentary control of the export of electrical power.

The international situation generally continues to give much ground for anxiety. My ministers have endeavoured, as opportunity has afforded, to promote international understanding and good-will. They have sought to join the efforts of Canada to those of other countries which are seeking by cooperation and conciliation to effect a settlement of questions and issues which concern the world's peace.

The administration has followed with deep interest the course of the negotiations being conducted with a view to the conclusion of a trade agreement between the United Kingdom and the United States of America. My ministers are fully alive to the importance of these negotiations, and to Canada's interest in their outcome.

In August last, the Canadian government approached the government of the United States with a view to extending and revising the trade agreement concluded between them in 1935. Exploratory conversations followed

which have resulted in efforts to effect a new agreement on a broad and comprehensive basis. It is hoped that negotiations may so progress as to render it possible to submit the new agreement to parliament, for its consideration, during the present session.

With a number of other countries, adjustments have been made, during the past year, in our commercial relations in order to facilitate a wider exchange of commodities.

The government is convinced that, in seeking to cooperate with the United Kingdom and other countries in efforts to promote international trade, it is pursuing one of the most effective means of ensuring economic security and progress in Canada, and the betterment of conditions in other parts of the world.

Members of the House of Commons:

The public accounts of the last fiscal year and the estimates for the coming year will be submitted for your consideration.

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

In inviting your careful consideration of the important matters which will engage your attention, I pray that Divine Providence may guide and bless your deliberations.

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

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

Motion agreed to.

HIS MAJESTY KING GEORGE VI

ACKNOWLEDGMENT OF ADDRESS TO HIS MAJESTY ON THE OCCASION OF HIS ACCESSION TO THE THRONE

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from His Majesty King George VI, signed by his own hand, as follows:

Buckingham Palace.

Members of the Senate and of the House of Commons of Canada.

I thank you most sincerely for the assurances of loyalty and support contained in the address which you have presented to me upon the occasion of my accession to the throne. It is the dearest wish of The Queen and myself that our reign may be marked, under Divine Providence, by the blessings of peace and by a steady advancement in the welfare and prosperity of all our peoples: and in our labours to this end we shall be strengthened and encouraged by the prayers and goodwill of the Canadian parliament and people.

George R.I.

12th April, 1937.

ACKNOWLEDGMENT OF ADDRESS TO HIS MAJESTY ON THE OCCASION OF HIS CORONATION

Mr. SPEAKER: I have the honour to inform the house that I have a communication from His Majesty King George VI, signed by his own hand, as follows:

Buckingham Palace.

Members of the Senate and of the House of Commons of Canada:

It is with feelings of deep gratitude that I acknowledge the message of loyalty and congratulation conveyed in your address of the 10th April which was presented to me by my Prime Minister of Canada on the 11th May.

The assurances of loyalty and devotion addressed to us on that occasion will always be an encouragement to The Queen and myself in the performance of our high task.

We were glad to know that the Speakers of your two houses were present at the solemn ceremony of our coronation. The participation in that ceremony of representatives from our overseas dominions fittingly marked the position of the crown as symbolising the unity and free association of the peoples of the British Commonwealth.

Throughout our reign it will be our constant aim to cherish and maintain, to the best of our powers, the heritage of justice, civil liberty, and ordered freedom which we have received from those who in past generations helped to build up this association of nations; and we rejoice to know that in our endeavours to promote, under Divine guidance, the welfare and happiness of our peoples, we shall be supported by the prayers and affection of the people of Canada.

George R.I.

29th June, 1937.

STANDING COMMITTEES

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

That a special committee consisting of Messrs. Casselman, Gray, Mackenzie (Vancouver), Power and Woodsworth, be appointed to prepare and report with all convenient speed, lists of members to compose the standing committees of this house, under standing order 63.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable T. A. Crerar, Minister of Mines and Resources, the Right Honourable Ernest Lapointe, Minister of Justice, the Honourable Charles A. Dunning, Minister of Finance, and the Honourable W. D. Euler, Minister of Trade and Commerce, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the revised statutes of Canada, 1927, intituled An Act Respecting the House of Commons.

LIBRARY OF PARLIAMENT

Mr. SPEAKER: I have the honour to lay before the house the report of the joint librarians of parliament.

On motion of Mr. Mackenzie King the house adjourned at 4.25 p.m.

Friday, January 28, 1938

The house met at three o'clock.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from two members, notifying me that the following vacancy has occurred in the representation, viz:

Of William Samuel Hall, Esquire, member for the electoral district of Edmonton East, by decease. I accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I should like to direct attention to the fact that climatic conditions in that part of the country are such that a winter election may be and in fact is an almost impossible task, and I hope that a date will be fixed that will make it possible, at least, for the will of the electors to be registered.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my right hon. friend that the government will take note of what he has just said. We have, in fact, considered the matter already.

IMPERIAL CONFERENCE, 1937

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to lay on the table two copies in English and two in French, of the summary of proceedings of the imperial conference, 1937. Copies of the summary will be made available to the members of parliament through the distribution office of the House of Commons.

AUDITOR GENERAL'S REPORT

TABLED BY MR. DUNNING—QUESTION OF REFERENCE TO PUBLIC ACCOUNTS COMMITTEE

Report of the Auditor General, volumes I and II, for the year ended March 31, 1937.—Mr. Dunning.

[Mr. Mackenzie King.]

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it was the custom in this house for many years, when tabling the report of the Auditor General, to move that it be referred to the public accounts committee; but when large numbers of reports were tabled that was for some reason overlooked on one occasion, and it continued to be overlooked except on one or two occasions. If the minister will look at the matter I think he will find that the correct practice is as I have indicated. Possibly it might be better for him to look into it and make a motion, if he so desires, on Monday. I suggest it is the regular practice that should be followed with respect to the Auditor General's report.

Hon. CHARLES A. DUNNING (Minister of Finance): My recollection is that last year, on a subsequent occasion, after the setting up of the public accounts committee, I made the motion referred to by the leader of the opposition (Mr. Bennett). I shall be glad, however, to look into the matter.

TRIBUTES TO DECEASED MEMBERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, since we last assembled here no fewer than six of our number have been removed by the hand of death. Three of the hon. members were supporters of the government; two hon. members, each a former minister of the crown, were members of the official opposition, and one hon. member belonged to the Social Credit party. This, I believe, is in the history of our parliament the largest number of deaths which have taken place, at any time, in the recess between the prorogation of one session and the opening of the next. It, undoubtedly, is accounted for, in part by the fact that the recent recess has been somewhat longer than the average. No fewer than three of the deaths have occurred in the present month.

It will I know accord with the feelings of all who shared the proceedings of the previous sessions if, before entering upon the work of this session, some expression is given to the loss which this house has sustained in its membership and some slight tribute paid to the memory of those whose lives and public services have been brought to a close, and who are so much in our thoughts at the present time.

The hon. members who have been taken from us, and the constituencies they represented, were: Mr. Daniel A. Cameron, Cape Breton North-Victoria, whose death occurred on September 4, 1937; the Hon. Doctor Simon

F. Tolmie, Victoria, B.C., who died on October 13, 1937; Mr. Joseph A. Verville, Lotbiniere, who died on November 20, 1937; the Right Hon. Sir George Perley, who represented Argenteuil, and whose death occurred on January 4 of this year; Mr. William M. Ryan, St. John-Albert, who died on the same day; and Doctor William S. Hall, Edmonton East, who died the day before yesterday.

Of this number, Messrs. Cameron, Verville and Ryan were supporters of the government. All three were members of the legal profession. Mr. Verville entered this house in 1925 and was here in all subsequent sessions. Mr. Cameron and Mr. Ryan came into the house only at the beginning of the present parliament. Mr. Ryan and Mr. Verville were each in their fifty-first year, Mr. Cameron was in his sixty-eighth.

Mr. Verville was born at Ste. Gertrude, Quebec, in 1887. He received his education at Nicolet college and at Laval university; from which he graduated as a notary. At one time he was mayor of St. Flavien, where he was residing at the time of his death. Although not a farmer himself, Mr. Verville represented a rural constituency. He took a keen interest in agricultural problems as well as in other matters of concern to his constituency and the province. He was a man of a retiring disposition. He did not take much part in the debates of this house, but he held strong convictions, and did not hesitate to express his views when he felt it was in the interests of his constituency that he should do so. His career has been ended prematurely, but he has left a record of service to his constituency which will be remembered not only by those whom he immediately served but by the people of his province generally.

Mr. Ryan was born in Saint John, New Brunswick, and was educated at St. Joseph's University and at King College Law School. He was created a King's Counsel in 1934. Before practising his profession as a barrister, Mr. Ryan had had considerable experience in journalism, both in his own province at Saint John, and at Regina. The experience gained in law and in journalism stood him in good stead when he came to this parliament. He had previously, on two occasions, unsuccessfully contested Saint John, but at the last election was returned by a large majority. Hon. members will recall that while here for only two sessions, Mr. Ryan took an active part in the discussions in this house, and also served faithfully on a number of committees. He gave evidence of outstanding ability. I feel that his death, occurring at the age of fifty years, closed a promising political career.

Mr. Cameron was born at Sydney River, Nova Scotia, in 1870 and received his training at Dalhousie university. If I am not mistaken he was at Dalhousie in the same years as my right hon. friend the leader of the opposition (Mr. Bennett). Mr. Cameron before entering this parliament had already had a fairly long and active career in politics. He had taken quite an exceptional part in the affairs of his native province. He also had had an exceptionally fine career as a member of the legal profession. It was to be expected therefore that, even in the short time he was here, he would render real service to this parliament.

Mr. Cameron's public life may be said to have commenced with his interest in municipal affairs. In 1900 he was elected a member of the Cape Breton Council. He subsequently in 1916 and the years immediately following represented Cape Breton county in the provincial legislature. In 1922 he was made a member of the legislative council, and became the leader of his party in that house. When the legislative council was abolished Mr. Cameron sought re-election to the legislature and was returned by acclamation at a by-election as the member for Victoria. While a member of the legislative council Mr. Cameron had also been a minister without portfolio in the government of the late Hon. George Murray. After his return to the legislature as member for Victoria he became provincial secretary in the government of the Hon. Ernest Armstrong, which position he held until 1925. He was returned again to the legislature in 1928. As already mentioned, he was elected to this house at the last general election.

I am sure hon. members recall the effective manner in which Mr. Cameron discussed public questions. In his contributions to the debates the evidence he gave of wide reading, knowledge and experience and his calm judgment, avoidance of extremes of language in asserting his position, all helped to make his words bring conviction, and to leave a real impression upon the house. His death is a distinct loss to this parliament.

Mr. Cameron, Mr. Verville and Mr. Ryan were all outstanding Liberals. They were strong and firm in their convictions, faithful to their party and its principles, and very loyal to my colleagues and myself. They had friends in all parts of the house, but their loss will be felt particularly by those on this side, and by none more than my colleagues and myself, to whose administration they gave such loyal and whole-hearted support.

As I said a moment ago, it is not, however, from this side of the house alone that familiar

forms and faces have vanished. The Conservative party has lost two of its outstanding members, two gentlemen who for many years were among the foremost in the public life of our country. And the Social Credit group has experienced the first loss in its ranks. I hasten on behalf of hon. members on this side to express both to my Conservative friends and to my friends of the Social Credit party the sympathy which is felt by members of the government and its following in the losses which they have sustained.

Sir George Perley and Doctor Tolmie were, as I have just said, foremost for many years in the affairs of their party and prominent in the affairs of our country. Each of them had been in public life for a considerable time. Doctor Tolmie was returned five times to this house from the constituency of Victoria, British Columbia. Sir George Perley was returned seven times from the constituency of Argenteuil in Quebec. Doctor Tolmie served eleven years in this House of Commons, and Sir George Perley twenty-five years. Each of them had served in more than one administration as a minister of the crown and each had occupied, elsewhere, positions of high honour, trust and authority. While they were very different in many respects there were some distinct similarities in their characters as well as in their careers. Each of them had inherited an interest in public life and an aptitude for public service.

Doctor Tolmie's father, a physician, was one of the pioneer settlers of the Pacific coast, and was a member of the legislature of the colony of Vancouver island before the island became part of the province of British Columbia. Sir George Perley's father was one of the pioneer settlers of Upper Canada before the days of the Union. He too had seen service in public life. From 1887 to 1890 he was a member for Ottawa in this parliament. I might add that Doctor Tolmie's mother and Sir George Perley's mother in those early days each contributed much to the communities in which they lived. That service is still gratefully remembered.

Both Doctor Tolmie and Sir George Perley had natures which were kindly and generous. Each possessed a real capacity for making and holding friends. I doubt if either of them had personal enemies among their political opponents while each had many friends in all parties. Doctor Tolmie and Sir George Perley were alike in yet another respect, what I might term their modesty. Each despite the prominence of his position was anything but self-assertive. I do not think that either of them cared particularly for publicity, at any rate an undue publicity. Both too possessed another quality, all too rare. They were ready when the demands of the government or of their party seemed to occasion it, to efface themselves in order that they might be of greater service to others. In the difficult, most necessary but often thankless task of the work of political organization each of them rendered great service to the party to which he belonged.

Doctor Tolmie was seventy at the time of his death.

Doctor Tolmie's life, both in and out of parliament, was identified most closely with agriculture. He was born on a farm in Victoria in 1867. To the close of his life, he retained his love of the soil, and his pride in his association with the farming community. In addition to being a farmer and a breeder of pure bred livestock, he was, by profession, a veterinary surgeon. Before entering parliament, he served as Chief Inspector of Health of Animals Branch in the provincial service, in British Columbia, and later as representative, for British Columbia, of the Dominion Live Stock Commission.

Doctor Tolmie entered political life in 1917, at which time he was elected federal member for Victoria. He was returned to three successive parliaments, and in all, was elected five times to represent the constituency of Victoria at Ottawa.

In 1919, Doctor Tolmie was appointed Minister of Agriculture in the government of Sir Robert Borden. He held the same post in Mr. Meighen's administrations, in 1920 and 1926. While still a member of this house, he became the leader of the Conservative party in British Columbia.

Prior to the provincial elections of 1928, Doctor Tolmie resigned from the House of Commons in order the more effectively to participate in the campaign, and to contest a provincial seat. His party was returned to power, and he became Premier of British Columbia, which office he held from 1928 until the defeat of his administration in 1933. This reverse meant a temporary abandonment of his political career, but in the by-election of 1936, he was returned for the fifth and last time as a member for Victoria in this house.

Public duties were thrust upon, rather than sought, by Doctor Tolmie. He was a man of robust personality, and a modest and faithful public servant; a man of unimpeachable integrity, and possessed of a strong, homely

common sense and ready wit. He will be remembered among those who have helped to build the Canadian west, and who have made an enduring contribution to Canadian agriculture.

Sir George Perley's death was so recent, and so very sudden, that it still remains something of a shock to all who knew him. In our references to him, I do not think Sir George would have wished us to strike a sorrowful note. In the manner of his passing, as in his life, there was much for which his friends may well be grateful. He had lived to the great age of eighty years. In appearance he was much younger. He had been spared any impairment of his faculties, or any prolonged suffering.

On New Year's day, which was a Saturday, Sir George had taken his part in the life of the capital. Sunday saw him at his accustomed place of worship. On Monday, the day before his death, he had been following his usual activities. That night, he passed away quietly in his sleep—"Like one who wraps the drapery of his couch about him, and lies down to pleasant dreams." As he had lived at peace with the world, so, in peace, he ended his days.

Sir George grew up in the picturesque surroundings of the Ottawa valley, in the days of the early lumbering industry. How long a career his was, how much of change he witnessed in its course, and how considerable the experience he brought to his public life, we realize when we recall that he was ten years of age at confederation, and had lived in Ottawa before it was chosen to be Canada's capital. He told us in a broadcast but a few months ago that he could remember the time when the settlement consisted of but two small struggling communities, one in Lower Town and one at the Chaudiere—separated by some two miles of poor road; while in between, there were practically no buildings, except the barracks, standing on the site of these Houses of Parliament.

Entering parliament when all but fifty years of age, Sir George Perley occupied, for over three decades, in years of war and peace alike, a foremost place in our public life.

I rather hesitate to attempt an enumeration of significant features in his parliamentary career, or the nature of his public services. As, however, few men, in the history of our country, have given more completely of their time, and of their lives to the public service than Sir George, it is, I think, desirable that, at this time, some mention should be made of the positions of great trust, honour and responsibility which he held in the course of his long and useful life, and in which, both at home and abroad, he gave so much of disinterested public service.

Sir George entered this House of Commons as the member for Argenteuil in 1904. He had previously unsuccessfully contested the constituency on two occasions. He became chief whip of his party in 1910. When Sir Robert Borden was returned to office in 1911, he became a member of the cabinet without portfolio. As early as 1912-13, Sir George became acting Prime Minister in the absence of Sir Robert Borden, and this position he filled time and again during absences from Canada of both Sir Robert and my right honourable friend. There quickly developed that intimate association between Sir George and Sir Robert which made him the most loyal and helpful of colleagues of the Prime Minister. He preferred, through the years that his party was in office, not to accept a portfolio at Ottawa, though, he was at all times, prepared, as a member of the government, to assist the Prime Minister and his colleagues, in an acting capacity, to the extent of his power, and exceptional opportunities.

Few prime ministers have ever had a more loyal and helpful colleague than Sir Robert Borden had in his friend, Sir George Perley. That helpfulness and cooperation was extended in equal measure to Mr. Meighen and to my right hon. friend during their years of office. May I here express to my right hon. friend the very sincere sympathy I feel for him in particular in the loss of one who shared his desk in this House of Commons, and with whom he was so closely associated in all his public duties.

During his visit to England in the early part of 1914, Sir George assumed the temporary charge of the then vacant office of High Commissioner for Canada. With the outbreak of the war, he remained in charge of this office, and added to the duties of it, those of Minister of Overseas Military Forces.

When he relinquished the latter post in October, 1917, Sir George accepted the appointment of High Commissioner for Canada, and remained in that office until March, 1922. He was, during the period of the war, and the years immediately succeeding, a member of the Imperial War Cabinet, a delegate to the Imperial Conference of 1917, to the Conference at Versailles, 1919, and to the Assembly of the League of Nations, in 1921.

Of Sir George's political career, it is perhaps sufficient to say that, throughout it all, he was true to the best traditions of public life, something which was never more needed than in these times of changing values and loyalties.

May I add this one further word with reference to a part played by Sir George in the proceedings of this house. His practical knowledge, and sound judgment of men and affairs, as I have already said, meant much to his party, both in office and in opposition. I should like to add that it meant much, as well, to all parties in parliament. In the nature of things, difficulties and differences are bound to arise between a government and an opposition, which, if they are permitted to develop and become acrimonious, are bound to destroy what is best in our parliamentary system of government, namely, the settlement of all matters by reasoned discussion, and the avoidance of unnecessary bitterness, or attempts at coercion in any form. In situations of the kind, Sir George always sought to exercise a moderating and a restraining influence, one which had its effect for good in the relations of all.

I have still to make mention of one more hon. member who has been taken from us since the last session.

It was only the day before yesterday that word was received of the sudden passing, in Edmonton, of Doctor William S. Hall, the member for Edmonton East.

Doctor Hall was in his sixty-seventh year at the time of his death. He was a dentist by profession, and his education had been gained, in part, at the University of Toronto. Like Mr. Cameron and Mr. Ryan, he entered parliament for the first time in 1935. It was his interest in the Social Credit movement which brought him to the fore, first as a candidate for the legislature of Alberta, in 1935, and, later, in the same year as a candidate for the House of Commons. He was not successful at the provincial election, but succeeded in winning a seat in the federal parliament at the general election. His participation in the affairs of this House was necessarily limited. Dr. Hall hardly had the opportunity to become familiar with public life, and we had only come to know him when he was called away.

In what I have just said of the six of our number who have been taken from us, I have necessarily enlarged somewhat upon the services of those who have been longest in public life, and whose part in public affairs has been best known.

Thinking, however, of all of them, one feels that each, in his own way, and to the best of his abilities, sought to serve his community, his generation, and his country. They were all good Canadians, and their names and their lives and their public services will be remembered through years to come.

I would ask you, Mr. Speaker, kindly to convey to the immediate members of the families of those of our number who have passed away, the sincere expression of the sympathy of this House, in their bereavement.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, there has grown up a custom, now almost established as a parliamentary practice, whereby before entering upon the active work of a session we pause to contemplate the work of those who have left us during the recess. For many reasons I think it is a sound practice. The right hon. the Prime Minister (Mr. Mackenzie King) gave one excellent reason when he said that it afforded us an opportunity to record upon the pages of Hansard the achievements in public service of those who have left us. But it serves another purpose; it serves to remind us of the brevity of human life, and of the unimportance of the individual in the march of time. A few months ago none of us could have thought that by to-day six of our number would have passed to the Great Beyond. Serving as it does those purposes this custom enables some of us who for a brief moment may occupy official positions in the house to record briefly the contributions which have been made to the public life of Canada by our former fellow members.

Three hon. members who have left us were supporters of the government of the day. I cannot think of Mr. Cameron other than as my old friend Dan Cameron. We were classmates at Dalhousie. He was a Cape Breton Scotchman, a highlander through both sides of his parentage, and was blessed with what I regarded as one of the most powerful intellects with which I came in contact. To some extent I think circumstances limited the operation of that mind, but when I knew him as a student I knew one whose very powerful mind made a deep impression upon me in those youthful days. He served for many years in a judicial capacity as a stipendiary magistrate at Sydney. In the public life of Nova Scotia, whether in the legislative council or the legislative assembly, he brought to bear upon the questions he had to consider a moderation, a dignity and a calmness of judgment worthy of emulation.

In ill health he came to this house, and we did not see the strength and force of the man. However on more than one occasion his independence of judgment was manifested

when, on questions which did not affect high policy, he indicated that at the time he was not in accord with those who for the moment took a particular stand. It is a matter of great pride and satisfaction to me to think that an old classmate of mine was here, and that he sat not far from me. To me his passing was a real sorrow, for I had a deep and affectionate regard for him which I find somewhat difficult to express in words.

The late hon. member for St. John-Albert, Mr. Ryan, represented the county in which I was born. He had experience in the profession to which I belong, and was also a journalist of repute, knowing something of its troubles, difficulties and problems. I saw him last fall in his native city of St. John where he was engaged in an inquiry. At that time I had some discussion with him, little thinking I should never see him again. He had a warm-hearted disposition, an attribute of his race. While on some matters we actively differed, our differences never in any sense interfered with our personal relations. I realize, as the Prime Minister has said so very aptly, his leaving us was on the threshold of what promised to be a very useful career.

Of the third supporter of the government who has departed this life, Mr. Verville, I knew very little. I observed that he was a faithful attendant in this chamber, and, although he expressed himself seldom in this house, he took a great interest in all public questions. The fact that he was elected four times by his constituents is in itself testimony to the place he held in their affection and regard. That he had their confidence indicates that he was no ordinary man in a county the size of that which he represented.

On behalf of those with whom I am associated I wish to express to the government our very great sympathy in their loss of three supporters, gentlemen who gave promise of being extremely useful as the years went by in the discharge of public duties. Of their loyalty and devotion to their party and government I think nothing need be said; it was apparent on every occasion upon which the opportunity offered. To the families of these distinguished gentlemen we extend our sympathy in their bereavement. We recognize in those who now are lost to this chamber, men who had been chosen by the people under our democracy to represent them in this house of parliament.

To deal with the loss which the Social Credit party has sustained is quite beyond me except to say that I knew Doctor Hall by reputation. He resided at Edmonton, two hundred miles north of Calgary. His coming into this house to support the movement in which he believed was not unexpected when he received the nomination of his party. His careful attention to the debates in this house and his manifest intention at all times to make every possible contribution to the cause which he had espoused distinguished him as it does all those who so enthusiastically support their party. I trust I may be permitted on behalf of myself and those with whom I am associated to express my sympathy and sorrow.

To speak of the other two members who have left us is a task, if I may use that word, of great magnitude. Simon Fraser Tolmie had been known to me for many years. His father came to British Columbia by way of the isthmus of Panama. When I last saw Doctor Tolmie in his bed at the old farm not far from the centre of the city of Victoria he told me that he was born in that room; and in that room he died. He was born in the year of confederation, and had reached the age of seventy years.

Doctor Tolmie had a genius for friendship that few men have. He had a sense of humour and a ready wit. In the very nature of things his love of animals and of the land made him a respected and almost revered friend of agriculturists and cattle raisers. I think the tribute paid to him at his funeral in Victoria—I was not present but I read it—was as impressive a manifestation of grief on behalf of the people as could possibly be conceived. He was a friend of all men, and all men were his friends. It is not often that one may say that with sincerity.

He rendered two notable services to Canada. As Minister of Agriculture he had the courage to take steps that resulted in the eradication of mange from the prairies and ranges of western Canada. The steps that he took at that time caused much criticism, but he was determined to see the matter through, and he did. The result was that mange disappeared from our ranges.

The second service that he rendered to this country was of a different character. It must be known to all that for many years England declined to receive our cattle; an embargo had been placed against them on the ground of their health. When the matter was being discussed on one occasion at a meeting of the war cabinet in England an undertaking was given that this embargo would be removed at the termination of hostilities. This in passing enables me to pay a tribute to one whose memory is sometimes forgotten, the late Hon. Robert Rogers. He insisted at that time that the memorandum should be

incorporated in the minutes of the meeting, and the extending of that minute on the record of the day's proceedings was the basis upon which subsequent action was taken by the British government to remove the embargo.

It will be within the memory of the house, Mr. Speaker, that the government in England was loath to permit our cattle to enter that country. The Minister of Agriculture, afterwards Lord Ernle, took a very strong view against us. I recall the debates in the House of Lords at that time. It was upon the investigation of the matter by a small commission, of which the late Lord Finlay was a member, that Doctor Tolmie rendered such conspicuous service to this country. As a veterinary surgeon he had special and expert knowledge. When he had concluded dealing with the matter it was the judgment of Lord Finlay and those associated with him on that commission that nothing more remained to be said. By these two distinctive services that he rendered to our country Doctor Tolmie has placed us under a debt and obligation that will not soon be forgotten.

He had no desire for the limelight of public life. The Prime Minister has very properly remarked upon his modesty in that regard. He became head of his party in British Columbia and subsequently premier of that province, but it was with a reluctance that was amazing. As he frequently said to me, he felt he would be happier in the discharge of the duties that he was so eminently qualified to discharge as Minister of Agriculture. I think he was happier in Ottawa than in any other part of the world. He was at his happiest at the University club, surrounded by his friends.

Doctor Tolmie will be greatly missed in that part of Canada in which he lived. He will be greatly missed by those who knew him as I was privileged to know him, by those who understood something of his fine qualities of heart and mind. His generous, open-hearted attitude toward life and material things made it impossible for him to accumulate anything during his lifetime. One might almost say of him, as was said of Pitt, that he lived without ostentation, and he died poor.

I wonder if members of this chamber realize how difficult it is for me to speak at any length or adequately of the Right Hon. Sir George Perley. I knew him as a member of parliament, as chief whip of his party, as a minister of the crown, as high commissioner, and as a colleague. An English writer said not long ago that it is very difficult to analyze the qualities that go into the making of a character. Sir George Perley inherited an instinct for business and for public service. He manifested his tendencies for business by actively entering upon the discharge of the duties that fell upon him on the death of his father, in connection with the properties that he inherited. His love for public service he manifested by offering himself for election, facing defeat on two occasions, and ultimately being returned seven times by a Quebec constituency while he himself was a resident of Ontario. Reviewing many statements that he made to me from time to time with respect to his own life, I think perhaps he found more satisfaction than in anything else in the thought that he had the confidence and support of the electors of a Quebec county while he himself resided in Ontario.

The combination of qualities that distinguished the Right Hon. Sir George Perley is not often met with in ordinary life. It is not a common thing to find a man of affairs, a man of very high attainments in the business world, willing and ready to give such service as he gave to the state. The distinctive attribute in the discharge of his public duties was thoroughness. I have seen him acting as minister for almost every department of the public service, and the thoroughness and method with which he carried out his duties were so commendable and so complete that I sometimes wish that every member of government had had an opportunity to study his approach to public business. He regarded the public purse as one would regard a private purse; he regarded public business as he would regard his personal business; and he brought to bear on the problems he had to meet in the discharge of public business the same consideration that he would have given to them had they been purely a private affair. Obviously that is not and never has been in Canada the most popular method of approach, but Sir George Perley insisted upon its being followed in his dealings with the various departments that he administered.

It is, of course, well known that when Sir Robert Borden formed his administration in 1911 he desired Sir George Perley to accept office as head of a department. That, at the moment, he was unwilling to do, and so he became minister without portfolio; but I know that at one time he was acting minister for five, if not seven, departments. His capacity for work was amazing—simply amazing. Those of my colleagues who recall him as Acting Prime Minister have some appreciation of his capacity for toil, for sustained hard work, for thoroughness and patience in the discharge of his parliamentary and public duties.

All this is the public side of a public man. But there was George Perley the man, who was my friend, faithful and true, loyal and devoted, of whom it is so difficult to speak. He was a man of great tolerance, of quiet generosity, one who contributed to social services without publicity. He gave a great building here in memory of his father and mother, to help those who are stricken as they move on through life. That was partly personal and yet an important part of the public side of the man. There was a quality that characterized his judgments, his counsel, his appraisals of others, which may be indicated by what I well recall his saying about a certain person of whom criticisms were being offered—"Ah well, you know, after all he may not be too bad." Always there was the thought that there was some good thing that could be said, and this quality was so often manifested in his private utterances.

His friendships were many. I think the loss by death of Sir Robert Borden affected him deeply, because, while not the same age, they had been closely associated in public life and public office, in sport, and in intimate family life.

I do think, Mr. Speaker, that what the Prime Minister said a moment ago should not be forgotten. It is well that fitting tribute should be paid when distinguished service has been rendered to the state by one who occupied such a place that it was unnecessary for him to seek public office in order to establish his position in the community in which he lived; for had Sir George Perley never held public office he would have been respected and admired and esteemed by his community. He was an Ottawa man. When the great fire occurred across the river in Hull, and it became necessary to solicit public subscriptions to help the sufferers, they pressed Sir George Perley to be chairman so that the administration of the funds might be beyond question, and that all those entitled to receive benefit from the generosity of a contributing public might do so. He was a man of integrity, and of rectitude, with a high sense of honour and a never-failing dignity. But in his personal life and in association with friends, his was the genuine nature of youth, and it was that boyish disposition that kept him ever young; for although he had attained the age of eighty years, none of us sitting here and looking at him could have thought for a moment that he had passed three score.

He has gone, Mr. Speaker, but he has left behind him an imperishable memory, a record of such varied achievements that the mere mention of them makes it seem almost incredible that they could have been accomplished by one man—member of parliament, chief whip of his party, minister of the crown, high commissioner, an overseas minister, a plenipotentiary at the signing of peace treaties, a member of the war cabinet; and the very large number of private enterprises, charitable, philanthropic and social, with which he was connected during all those years, I shall not trespass on the time of the house to name. But it is well that we should pause and think of one who served this country well, whose name was never touched by the breath of scandal or by the suspicion of failure in any respect of one who maintained the high standards of rectitude and integrity that he has left us.

Sir George Perley has left behind him, as I say, an imperishable memory, not only of the public service upon which he entered as a young man, but a memory in the hearts of all who knew him. The door-man at the hotel said to me, "You have lost a great man." I said "Yes." And he added that a friend to whom he was speaking said, "They don't make them that way now." "Ah," the other replied, "but it took seventy-five years to make him." There is great truth in that. He was the product of hereditary conditions, of environment and of great traditions. His life has left us the richer; and I agree with what the Prime Minister has said, that we should not mourn but rather rejoice that such a life has been given to us in all its amplitude of service, rendered modestly and quietly, and all its magnificant unselfish regard for others, without ostentation, without publicity. He served his day and generation; he departed without pain or sadness, though with a suddenness that has left a shock in the hearts of all who knew him; for I think few of us can realize, as from day to day we go about our tasks, that he has left us. I believe the words I can best use with respect to him were those that were given to me by one of my fellow members yesterday. They are these:

> Not stirring words, nor gallant deeds alone,
> Plain, patient work fulfilled that length of life;
> Duty, not glory—Service, not a throne,
> Inspired his effort, set for him the strife.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I think there is nothing that can usefully be added at this time. I simply desire to associate my colleagues and myself with these words of esteem

for our fellow members who have passed on. Doctor Tolmie, of course, and Sir George Perley had become almost institutions in this country. I need not add anything to the tributes which have been paid them except a personal word. Perhaps Sir George Perley was great above all other things in his kindness and consideration towards those about him. I can very well recall that in my first days in this house, he took the trouble to introduce some of us, who were at that time, younger members, into life here at Ottawa. I am not going to say anything with regard to other members whom I did not know personally so well. I am glad that, despite some of the rather sombre reflections which may come at a time like this, we do occasionally have opportunities when we can say good of one another rather than pass adverse criticisms. We desire simply to extend our sympathy to the bereaved families of our colleagues.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I have thought several times this afternoon, while listening to the words and enjoying the quiet and sympathetic tones of those who have spoken, what a beautiful thing humanity is when it is at its best. An occasion such as this is one of the rare occasions when humanity is at its best. The Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Bennett) can, I think, scarcely realize how good their kindly attitude towards their fellow members is, how it pleases and reassures us in times like these.

We of this group are not very well acquainted with the men who are being mourned to-day. We have to depend upon what others tell us, what we have read in the Parliamentary Guide and what we have learned here. Mr. Ryan and Mr. Verville were comparatively young men. The fine edifice of life and service for which each had laid the plan had only been completed enough to indicate the dimensions and nature of the structure; then these men were stricken and taken from our midst. Such comfort as we can find in a situation like this is, I think, rather well hinted in Robert Louis Stevenson's noble words:

> To travel hopefully is better than to arrive; and the true success is to labour.

Mr. Cameron, I conclude from what I have learned of him, must have been a strong, courageous, hopeful fighter, one who by careful and persistent self-discipline had acquired the ability to look through the darkest and most threatening gloom and glimpse signs of the silver lining. I fancy it was such a man as he that Browning had in mind when he wrote those inspiring words:

> One who never turned his back but marched breast forward,
> Never doubted clouds would break,
> Never dreamed, though right were worsted, wrong would triumph,
> Held we fall to rise, are baffled to fight better,
> Sleep to wake.

With the leader of the opposition I agree that it is quite impossible for one who is new to this house to have as complete sympathy as one desires to have, because we can really sympathize only with those through whose experiences we have gone. We have never known what it is to pass through what the leader of the opposition has passed through in the loss of these good men.

To few, indeed, is it permitted to attain the age of eighty years. Of Sir George Perley it can truly be said that he was "full of years." Listening to the words of the Prime Minister and of the leader of the opposition, recounting the many acts which Sir George had performed, the many offices he had filled, and the honour he had gained, I felt we could also say that he died as full of honour as of years. They tell me he was buried in Ottawa; in this city his honour was striven for and gained. It is fitting, therefore, that in this city his remains should rest. The thought of him brought to my mind those fine words of Robert Louis Stevenson, when he was contemplating his own decease:

> Under the wide and starry sky,
> Dig the grave and let me lie.
> Glad did I live, and gladly die,
> And I laid me down with a will.
>
> This be the verse you grave for me:
> Here he lies where he longed to be;
> Home is the sailor, home from sea,
> And the hunter home from the hill.

The Hon. Doctor Tolmie was a man whom I had heard a great deal of as I had heard of Sir George Perley before I came here. I believe he was known favourably far and wide throughout Canada. I read about him, in the Parliamentary Guide, a passage which it seems to me it might not be unfair to him to read into Hansard:

> A farmer and breeder of pure bred live stock. President Dominion Holstein Breeders; B.C. Vety. Assn.; B.C. Holstein Breeders; Chief Inspector Health of Animals Branch, B.C.; Representative Dominion Live Stock Commissioner for British Columbia. Mem. Pacific and Union Clubs, Victoria, University Club, Ottawa. A Unionist. First elected to H. of C. at g.e., 1917. Sworn of the Privy Council and apptd. Minister of Agriculture, Aug. 2, 1919. Re-elected after assuming office, Oct. 27, 1919. Upon the formation of the Meighen adminis-

tration, July 13, 1920, following the resignation of Sir Robert Borden, was re-apptd. Minister of Agriculture. Retired from office with the Meighen Government, Dec. 1921. Re-elec. to H. of C. g.e., 1921; Apptd. Dominion Organizer for the Conservative party in Aug., 1923; re-elec. to H. of C. g.e., Oct. 1925. Apptd. Min. of Agriculture, July 13, 1926.

No one needs to grieve overmuch because this man has been taken away. For us, I think there is cause for genuine regret. In a time when the farmer is more in need of sympathy than ever before in our history, in a time when possibly the west needs more sympathy and understanding than ever before in the history of Canada it seems untimely that this man, who understood the farmer and sympathized with him, who understood and sympathized with the west, should be called away. But in this matter, as in all others, we have to bow to the will of Him who doeth all things well.

It was comforting indeed to us to hear the kind expressions regarding Doctor Hall. One of the first things that came to my mind when I thought of Doctor Hall, looking back over his life, was a fine passage that appears in Drinkwater's play, Abraham Lincoln. Speaking of Abraham Lincoln, one of the chroniclers said:

> Shall a man understand,
> He shall know bitterness because his kind,
> Being perplexed of mind,
> Hold issues even that are nothing mated.
> And he shall give
> Counsel out of his wisdom that none shall hear;
> And steadfast in vain persuasion must he live,
> And unabated
> Shall his temptation be.

Of course, the loss of Doctor Hall was a painful shock to us. It has been written, "Where there is no vision the people perish." Singularly fortunate, I believe, are those people in the minds of whose older men vision comes. This man was one of a large class of elderly people in Canada, whose careful studies of realities have convinced them, first, that a change must come, and, second, that that change must take the shape of monetary reform. Once convinced, Doctor Hall courageously decided. The risk to his business and professional well-being he disregarded, and plunged industriously and firmly into the fight for a safer and more prosperous Alberta and Canada. In the struggle he spared neither time nor energy nor wealth. He became one of the first and foremost social credit leaders throughout Edmonton and the north. The more clearly men come to see the meaning of our times, the more they will realize that in a great and righteous cause the good doctor strove well and died striving. We have known and will remember our colleague, Doctor Hall, for his wise counsel, tolerant nature, and devotion to his family, to his church and to his country.

THE LATE SIR ROBERT BORDEN

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I need not remind the house of the loss which our country sustained in the death, in June last year, of the Right Hon. Sir Robert Borden. From October, 1911, to July, 1920, Sir Robert Borden was Prime Minister of Canada, a period of nine years, all but three months, years which included those of the great war with their exceptional anxieties and responsibilities.

When Sir Robert resigned the office of Prime Minister he intimated that he intended to relinquish his part in active politics, and as a consequence, when parliament dissolved in 1921, he ceased to be a member of this house. Sir Robert Borden had been a member for twenty-five years, and was sixty-seven years of age at the time of his retirement.

Though Sir Robert ceased in 1921 to be a member of parliament he did not cease to be interested in politics or to take an active part in public affairs. Indeed, the period of retirement which followed his activities in parliament afforded him an opportunity to place at the service of those who sought his counsel the great experience which he had gained in public life. His retirement gave him also an opportunity to devote his time and talent to the great causes which he had so much at heart.

In those years, I believe, Sir Robert found the real reward of the sacrifices which his earlier public services had entailed, for they gave to him not only the opportunities I have just mentioned, but they also afforded, what a man inevitably sacrifices in the course of great public duty, namely, opportunity for the quiet enjoyment of personal friendships and a chance to pursue with a degree of thoroughness not otherwise possible cultural interests; as well as many forms of public service. Those years of retirement were years of freedom and calm. They were shared with Lady Borden at their home, Glensmere, in this city, where together they enjoyed the beauty of its surroundings, its lovely view of the Rideau river, the society of their personal friends and the activities of the capital with which Sir Robert's life had been so intimately associated. Sir Robert there, too, regained in large part the health and strength which had been considerably impaired during the time he was in office.

The eventide of Sir Robert's life was not, ere its close, without its glow upon the horizon.

It must have been deeply gratifying to him to have lived to see the time when, despite the differences of view there were and will always be with respect to some of the acts and policies of his administrations, he had nevertheless gained a place in the esteem of his fellow countrymen which was altogether above party, and had won a position of honour not only in his own country but throughout the empire, and that his name was held in high regard in other countries as well.

I shall not say more. Sir Robert's life and work are already a part of the history of this country. There is moreover very little, if anything, which could be added to the many and deeply sincere tributes which have been paid his memory in this and other lands. I have felt, however, that hon. members of this house would wish to have recorded in the proceedings of this parliament some expression of the sense of the loss which, as representatives of the people of Canada in the House of Commons, we feel our country has sustained in the passing of a great Canadian who for twenty-five years was a member of this house, for nineteen years, the leader of the Conservative party in this country, and for nearly nine years the Prime Minister of Canada. Sir Robert's name will find an enduring place among those of our land who have sought to serve parliament, their party and their country and who have done so with outstanding devotion and high distinction. His name will find its place also among the names of world statesmen who had to do with empire councils at a time of war, and whose memories will be associated with Versailles and Geneva, and with the beginnings of the League of Nations.

It will, I am sure, be the wish of this house, that you, Mr. Speaker, convey to Lady Borden, who for almost half a century shared so fully and sympathetically the struggles and the achievements of Sir Robert's career, the expression of the sincere sympathy which is felt for her by all hon. members.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, when the Right Hon. Prime Minister (Mr. Mackenzie King) suggested that the course he has taken should be followed this day, I felt that those of us who sit here are under a debt of obligation to him for having so publicly stated the claim of the late Sir Robert Borden on the regard and esteem of the Canadian people. Perhaps I knew Sir Robert Borden longer than any member of this house. He had one characteristic that marked him from his younger days, that is he was a man of infinite patience. I have never known a more patient man. I think there is one, perhaps more than one, hon. member of this chamber who was associated with him in government and who knows how patient he was with respect to matters that affected his country. He was a great lawyer, a great constitutional lawyer, and I venture to believe that, with the possible exception of Sir John Thompson, who ranked with him, no man who has ever discharged the duties of first minister of this country could prepare so excellent a state paper. I think that can be said with truth.

It was charged at times that Sir Robert Borden was indecisive. The truth is that he was cautious almost to the point of indecision, but once his mind was set, once he had arrived at a conclusion—sometimes taking a very long time to do it, weighing the pros and cons with great thought and care—nothing diverted him from his purpose. Once he had made up his mind that he was following the correct and proper course he was almost relentless in the pursuit of his purpose. He was jealous of this country and its honour and reputation. We have not produced a stronger Canadian. At times of stress and strain, when difficulties were multiplying, he never for a moment lessened his support—nay more, his advocacy—of the claims of this country to a measure of consideration that sometimes was denied and ofttimes questioned. Our position with respect to the peace treaty I frankly think we owe entirely to Sir Robert Borden. Those of us who know something of the attitude which he took, the manner in which he supported his views, and the vigour and strength of his advocacy, will realize what a debt the Canadian people owe to him with respect to the position of Canada at the negotiation of the treaty of Versailles.

Although I was a supporter of his government, I differed from him with respect to the railway problem of this country. But that did not in any sense interfere with our personal or political friendship. The last political speech that he made, as far as I recall, was made on behalf of the party with which I am associated, on the same platform as myself. During the long hard years in which we held office I think a week did not go by when I was in Canada that he did not either ring me up or send me a note about some matter which struck him as worthy of comment. When he was in the United States he frequently sent me clippings for consideration.

I agree with everything the Prime Minister has said; Sir Robert's last years, the years of calm, of reflection, of honoured position in the community where he was almost an oracle,

were the happiest of his life. I saw him in his Gethsemane; for like most men he had to undergo not only violent criticism but worse during the years between 1908 and 1911. But he bore it with patience that was amazing and with fortitude that was exceptional. That during all those dark days he faced his troubles so valiantly was in large measure due to the fact that he found in Lady Borden a helpmeet in the truest and best sense in which that term is used in Holy Writ. She was a tower of strength in those dark days, even as she was a well of inspiration in the happier days that followed.

I am deeply grateful, not only on my own behalf but also on behalf of those who are associated with me here this day, Mr. Speaker, that the Prime Minister has seen fit to express not on behalf of a party but on behalf of the people of Canada their sense of obligation, of appreciation and of thankfulness that God in his wisdom and mercy gave us such a leader at such a time, who was enabled by strength of purpose to give effect to firm determination with respect to the position of this country and its relation to the other communities of the world, apart altogether from the agonizing effort through which he went during the long years of the war.

It may well be that later in the history of some parliament some other recognition may be accorded to the memory of so great a man, but one thing is certain, that on the bead-roll of fame his name among Canadians will occupy a very high place, revered, respected and honoured, not only by his own day and generation and by succeeding generations of Canadians but by men and women who in his life of effort see evidence of a great goodwill on the part of a man who endeavoured—sometimes, he used to think, with great uncertainty—to bring about the creation of a league of nations by which great aggregations of people would be able to settle their differences by recourse to tribunals, even as man emerging from the state of savagery has been able to set up tribunals with which to settle his differences with his neighbours.

For that cause he laboured. He believed in it until the end, and if it failed it was through no fault of his. It has not yet failed, for as long as the idea prevails that nations may settle their disputes as individual citizens of nations settle theirs, his memory as an exponent of that great cause will endure amongst the peoples of the world.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, we desire to associate ourselves with the views already expressed. I believe this man was worthy of all that has been said.

On motion of Mr. Mackenzie King the house adjourned at 4.55 p.m.

Monday, January 31, 1938

The house met at three o'clock.

NEW MEMBER

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the chief electoral officer certificate of the election and return of Joseph Arsène Bonnier, Esquire, for the electoral district of St. Henry, in the province of Quebec.

DOMINION FRANCHISE ACT

POSTPONEMENT OF REVISION OF EXISTING LISTS FOR ONE YEAR

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 2, to amend the Dominion Franchise Act.

Mr. STEWART: Explain.

Mr. RINFRET: The effect of this amendment is merely to postpone for another year the revision of existing electoral lists. It is similar to bills introduced in past sessions.

Motion agreed to and bill read the first time.

CIVIL SERVICE ACT

LANGUAGE QUALIFICATION OF PERSONS APPOINTED OR TRANSFERRED

Mr. WILFRID LACROIX (Quebec-Montmorency) moved for leave to introduce Bill No. 3, to amend the Civil Service Act.

He said: The object of this amendment is to provide that all employees of the federal government who are appointed to positions within a province or transferred from one province to another, either as temporary or p rmanent employees, should before being appointed or transferred pass an examination as to their knowledge of the language of the majority of the province. For instance, no one might be appointed to a position in the civil service in the province of British Columbi or Manitoba or Nova Scotia, unless he has the requisite knowledge of the English language, and no one might be appointed to a position in the province of Quebec unless he has the requisite knowledge of the French language.

Motion agreed to and bill read the first time.

CRIMINAL CODE

PROVISION AGAINST REFUSAL TO EMPLOY OR DISMISSAL FOR MEMBERSHIP IN TRADE UNIONS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 4, to amend the criminal code.

Mr. LAPOINTE (Quebec East): Explain.

Mr. WOODSWORTH: The purpose of this bill is to prevent employers from refusing to employ, or from dismissing employees, or conspiring with others therefor, for the reason that they are members of a trade union.

As it is lawful for workmen or employees to form themselves into trade unions and to bargain collectively, it should, as a matter of public policy, be unlawful for employers to seek by overt acts or intimidation, threats or conspiracy to prevent them from belonging to such trade unions.

Motion agreed to and bill read the first time.

RAILWAY ACT AMENDMENT

JURISDICTION OF RAILWAY COMMISSION IN CASES OF DAMAGES CAUSED BY ERECTION OF SNOW FENCES

Mr. OSCAR L. BOULANGER (Bellechasse) moved for leave to introduce Bill No 5, to amend the Railway Act.

He said: This bill is the same that I introduced last session and which did not reach second reading on account of the short duration of the session. The object of this bill is to amend the Railway Act so as to place under the jurisdiction of the board of railway commissioners the assessment of damages resulting from the erection of snow fences by the railway companies.

Motion agreed to and bill read the first time.

GOVERNMENT RAILWAYS ACT AMENDMENT

JURISDICTION OF RAILWAY COMMISSION IN CASES OF DAMAGES CAUSED BY THE ERECTION OF SNOW FENCES

Mr. OSCAR L. BOULANGER (Bellechasse) moved for leave to introduce Bill No. 6 to amend the Government Railways Act.

He said: This bill is similar to one I have just presented. Its object is to amend the Government Railways Act in the same manner.

Motion agreed to and bill read the first time.

FARMERS' CREDITORS ARRANGEMENT ACT

On the orders of the day:

Hon. H. A. STEWART (Leeds): I wish to address a question to the government and particularly to the Minister of Finance (Mr. Dunning). Has a substantial body of representations been made to the government for the repeal of the Farmers' Creditors Arrangement Act; has a decision been arrived at as a result of these representations; and, finally, will the minister consider printing the report of the commission, together with proceedings and statistics, which he laid upon the table on Friday?

Hon. CHARLES A. DUNNING (Minister of Finance): I think my hon. friend's question is really a request for the government to announce its policy with respect to a matter of possible legislation. As to the representations, of course representations pro and con with respect to the act to which my hon. friend refers have been made to the government continuously since that legislation was first enacted. I should not like the impression to go abroad that all the representations received have been against the continued operation of the Farmers' Creditors Arrangement Act. Representations both for and against it have reached the government from time to time from various parts of Canada. I cannot make any pronouncement with respect to government policy in the matter; in that regard my hon. friend will have to possess his soul in patience until the government decides to introduce or not introduce amendments to the law.

With regard to the printing of the report which I tabled the other day, the government will be glad to give consideration to the matter, bearing in mind, however, that if the printing of such a report is ordered by the house it will be paid for out of the House of Commons vote.

Mr. STEWART: My reason for asking the question was that the report is not a very lengthy one, but it is one in which I know that a large number of members are vitally interested.

Mr. DUNNING: We will give consideration to the printing of it.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY MR. J. N. FRANCŒUR AND SECONDED BY MR. R. M. WARREN.

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

Mr. J. N. FRANCŒUR (Lotbiniere): (Translation): Mr. Speaker, when I left you last summer, I did not expect to meet you here, at the opening of this session in the Speaker's chair. For two sessions you have

presided over the proceedings of this house with a fair-mindedness and tact that reflect great credit on you. Allow me, at the opening of our parliamentary labours, to extend to you my best wishes; may you enjoy a very good health. I dare say no more, for I know that you are endowed with these virtues, namely indulgence and patience.

Scarcely two months ago I had no idea that I would occupy a seat in this chamber, but the house has to grieve over the loss of six of its members. Last Friday, the right hon. the Prime Minister (Mr. Mackenzie King), the right hon. the leader of the opposition (Mr. Bennett) and leaders of other parties paid a tribute to the memory of those who have passed away. I shall speak only of my predecessor, Mr. Verville, a member of this house for twelve years, practising his profession among his constituents, at St. Flavien, right in the centre of Lotbiniere county, was in daily contact with the people whose confidence he had won and retained. In spite of his apparently pleasant nature, Verville was possessed of a tenacity and impetuosity which surprised his friends and baffled his opponents. His sudden demise, though foreseen by his intimate friends, caused unanimous regrets in the constituency and in the whole Quebec district.

Immediately after the decease of my predecessor, the government did not hesitate to call for an election on December 27 last, and the campaign started at once. My friends came to lend me a helping hand. I wish to mention right now the support given me by the hon. member for Bellechasse (Mr. Boulanger), the hon. member for Dorchester (Mr. Tremblay), the hon. member for Beauce (Mr. Edouard Lacroix), the hon. member for Levis (Mr. Dussault), the hon. member for Maisonneuve-Rosemount (Mr. Sarto Fournier) and the hon. member for Quebec West and South (Mr. Charles Parent). They placed before the electors of Lotbiniere not only one problem, but all the problems which the government has been called upon to consider and to try to solve since its return to power in 1935.

The speech from the throne mentions some new legislation. Before discussing the merit of the questions which are submitted to us, let me call your attention, Mr. Speaker, upon a public event which took place in the month of May. I am speaking of the coronation of our new sovereigns: George VI and Her Most Gracious Majesty, Queen Elizabeth. Not only the United Kingdom, the dominions and the other possessions of the British Empire, but the whole world paid the British crown a very real tribute of admiration. We are convinced that our new sovereigns will pursue the traditions of a dynasty which have given proof of their affection towards the people in respecting political and parliamentary liberties.

Mr. Speaker, I should like to point out the achievements of the government since 1935. Without special commitments, they undertook to work for the social and economic reestablishment of the whole country. Immediately after their return to power the government thought of the farming class, which I represent in this house. They endeavoured to develop our trade by negotiating forthwith with our neighbours, the United States, which are the natural market for our products, a trade agreement the good effects of which are already noticeable. Several other trade agreements have been made, namely with the United Kingdom, the other British possessions and some European countries. As we have already mentioned, by stimulating the trade and reducing the tariffs, we have increased the opportunities for work and thereby reduced the number of unemployed. The benefits of this policy were summed up in the address delivered by the president of the Royal Bank of Canada, on January 13 last, at the annual meeting of the bank's shareholders. This is what he said:

> Canada is a fortunate country. During the past century there have been more years when business in Canada has been on the up-grade or when prosperity has prevailed, than in any other part of the world. This fact was brought out in a careful study which analysed the activity of business in each important country. During 1936 the rate of recovery in Canada was phenomenal, and the high level attained in that year was maintained in 1937. In spite of the moderate recession at the end of the year, induced by uncertainty of the business outlook in the United States, the volume of activity in most lines of business compares not unfavourably with the record year of 1929, and in many lines, particularly mining, new high records have been established.

You will notice that this is not the evidence of a political partisan or of an admirer of any one in this house, but the testimony of a business man, who, before making such a statement, must have analysed the conditions. The conclusions which he arrives at are an encouragement for the present administration and should urge them to follow the course they have entered upon. The financial question is another very important issue. For the last two years the government has been striving to end the era of deficits. It is a difficult task, but the hon. the Minister of

Finance (Mr. Dunning) seems to face it with so much energy that we may soon hail a balanced budget.

Then, the statement made by the hon. the Minister of Finance on the first of January last was most gratifying. May I quote an excerpt from his survey of the economic conditions:

In my budget address last February, I expressed the belief that we could keep the overall deficit down to $35,000,000 for 1937-1938 and that we could attain our goal of a balanced budget in the following year. I am still confident that these expressed objectives will prove to be conservative. Had it not been for the western drought, we should have had a balanced budget this year.

He goes on to say:

I think I may say that the year 1937 has seen considerable progress made, not only in the restoration of our normal economic conditions but also in the strengthening of our national finances. We still have problems to solve, but the progress already made leaves no basis for discouragement.

That is a statement deserving to be brought to the attention of the electors of the constituency which I have the honour to represent here.

During that campaign, my fellow members of this house and I discussed all those problems, and at a mass meeting held at Saint-Flavien on the 19th of December last, my constituents even had the honour of welcoming the right hon. the Minister of Justice (Mr. Lapointe) who was accompanied by the hon. the Minister of National Health (Mr. Power), and on that occasion, the right hon. the Minister of Justice delivered a speech which the people of the constituency of Lotbiniere, nay, which all the provinces and even the whole country had been awaiting. Mr. Speaker, the right hon. the Minister of Justice did not disappoint his audience. Speaking for over an hour, he placed before the province and the country the true problem on which the electors were called upon to vote on the 27th of December, and in a straightforward manner, he recalled what the government had done, emphasizing at the same time the main issues which, in such a campaign had to be considered and decided upon.

I need not add that, on such occasion, he was given a tribute not only of admiration but also of trust, because, speaking as a leader of the province of Quebec, as a statesman, he was able to place the problems in their true light without paying any attention to those appeals to passion and prejudice with which, ever since the beginning of the campaign, our opponents had endeavoured to sway public opinion.

[Mr. Francœur.]

But I must admit that they did not care to say anything about the government's record from 1935 to the present time. Two main issues were discussed. At first, they brought up the question of secession, thus reviving a subject which dated back several years; they said that the province of Quebec, in order to enjoy her autonomy, her privileges and her rights, had to withdraw from confederation. The other important issue was the national defence question.

Incidentally, I should point out that the government's opponent was not a Conservative, since the Conservative party had not seen fit to put in a candidate. A nationalist-independent candidate entered the lists. We did not hesitate, my friends and I, to discuss that issue of secession, we stated that the province of Quebec—and in this we knew that our feelings were those of the majority of electors—did not wish to withdraw from confederation, but wanted to remain in it as long as not only the letter but also the very spirit of confederation was adhered to.

Seeing that such an argument had not much effect upon the electors, our opponents stated that they would leave aside for the time being, the secession issue, that they would abstain from any agitation over that matter in order to examine and dwell upon the reasons why the province of Quebec should have greater antonomy.

Mr. Speaker, that school appealed to very few serious-minded men in the province of Quebec, but enlisted the support of a few young people eager to get on, of a few young men thwarted in their ambition, and I may add, of the dregs of nearly every party who believe they can seize the avenues of power by reviving that issue of the withdrawal of the province of Quebec from confederation.

But I may state in this house, to the representatives of other provinces of the dominion, that the province of Quebec means to continue as a member of the confederation, as long, I repeat, as the British North America Act is adhered to, and provided Quebec is treated like the other provinces of the dominion. Moreover, I had the opportunity to recall, even during the last campaign, the attitude I had taken on that issue, long before the last appeal to the electorate.

In 1909, when I had the honour of being requested by Sir Lomer Gouin, then premier of the province of Quebec, to move the address in reply to the speech from the throne in the Quebec legislature, the problem had already arisen, as a result of a nationalistic campaign. May I quote here the answer I made to those who sought directly or indirectly

to stir up strife in connection with the confederation act:

Without denying his origins, without abjuring his language or his faith, without forgetting the traditions of his race, every Canadian should, instead of shutting himself up within the narrow confines of a retrograde provincialism, rise higher, widen his outlook, aim at the ideal of a Canadian nation in the broadest and most generous sense of the word. With this objective the self-governing provinces, while operating within their powers, will show greater cohesion and each one, in the ardour of mutual emulation, seeking to become the main factor of common progress, will ensure general prosperity. Because of its traditions, its geographical situation, its boundless wealth, our province should hold first place in the dominion and should be, if we so wish, the principal factor of this general prosperity. . . . Such is the noble and patriotic aim to which we should devote all our efforts.

The problem arose again later on, and in January 1918, answering those from other provinces, especially from the western and the maritime provinces, who were asking us what we of the province of Quebec wanted, I said:

What we want is to live and let live. To live while observing not only the letter of the constitution but especially its spirit; to live according to our tastes, our temperament and our mentality; to live as free citizens conscious of our duties and of our responsibilities; to live while working for the progress and development of our province, in the conviction that we are thus ensuring the progress and development of the country; to live while maintaining our language, our beliefs, our traditions, our institutions and our laws; in short, to live as loyal Canadians devoted to the British crown. To let live: giving to others the respect we ourselves demand; recognizing to them the liberty they claim in the exercise of their own vested rights; leaving them free to speak and teach their mother-tongue, to preserve their beliefs and their traditions, and even fighting with them, if need be, for the defence of this heritage which they cherish as much as we do. . . . Thus it is that we shall become a truly Canadian nation in which shall prevail that "strong community of interests constituted, as has been said, by the consciousness of sacrifices that each has made and is ready to make again." We would thus be protected against the causes of ruin which threaten us from within at the same time as we ward off dangers from without. We should then appear as a nation bound not solely by common interests, but also by a true union of hearts and minds.

Such were the considerations which we put forward throughout the last campaign in Lotbinière county in replying to those who, stirring up strife, ignoring the policies and accomplishments of the present government, endeavoured to turn public opinion and capture the vote of the people.

The other problem is that of national defence. In accepting to stand for Lotbinière county, I did not hesitate to tell the electors that I intended on this point to support the policy of the present government, because I considered that a citizen's first duty is to defend his country. My friends and I stated at every public meeting that we were in favour of defending our country, that we believed that the first line of defence was now in Canada, but that we did not want to contribute one cent for arming or equipping an expeditionary force, in short, that we do not intend to take part in foreign wars. Thus did we present the question and thus did the electors of Lotbinière understand it. The answer they gave on December 27 last shows that they wish, like all other citizens of Canada, of whatever race and whatever religion, to exercise the first duty of all citizens, that is the defence of his country.

The vote given in Lotbinière on December 27 has received various appraisals. It would serve no useful purpose to repeat here all the comments to which it has given rise. Some saw in the verdict a deeper meaning than the electors wished to give to it, going so far as to say that the voters of Lotbinière had declared themselves militarists. Others said that the result had no significance whatever and that it did not indicate approval of the government's policy.

Mr. Speaker, the vote cast in Lotbinière on December 27 last on the question of national defence means that the French Canadians of the province of Quebec want to do their duty. They are ready to contribute their share of the expenditure required for the defence of the country, but nothing more. They are not militarists. They want peace just as much as any citizen of any other province, but they also wish to see all needed measures taken for the reorganization of our militia according to the government's plans in order to ensure peace within and prevent attack from without. Such, I repeat, is the way the question was presented. And such is the way the electors of Lotbinière have understood it. At every meeting not only the older men, but especially the youth of the county, in great majority, applauded the statements made by the members of this house who assisted me in the campaign on this important question of national defence. That does not mean, though, that the province of Quebec wants the government to enter into the armament race. The result of the election means that Quebec is conscious of its duty and aware of its responsibilities and wishes, according to its means and in the light of the new conditions, to furnish its share of the expenditure essential to ensuring peace within the country and to prevent attack from without.

Mr. Speaker, the speech from the throne foreshadows measures of considerable importance. I do not propose to discuss them now.

The government has wisely stated in that speech that in the matter of amending the British North America Act they intended obtaining the approval of the provinces in the matter of unemployment insurance; in the event of a constitutional amendment being necessary—and there are those who doubt its necessity—they proposed doing likewise. The house will be called upon to consider these measures.

Another question which is agitating public opinion at the present time is that of the export to the United States of electric power from the provinces. I am sure that the opportunity will be afforded us during this session carefully to consider this question which deserves the serious attention of the house.

I do not intend, Mr. Speaker, to speak at length. For some months past, not only in the province of Quebec but in all the provinces of Canada, journalists and others have been dwelling on the necessity of safeguarding Canadian unity. As I stated some moments ago, Canadian unity can be obtained only by respecting the constitution which governs us. To my mind, the confederation act should be treated with great prudence. Our constitution, as we know, was the result of a compromise and the fathers of confederation intended that it be not interfered with for many years. Not very long ago the question of whether the Canadian confederation offered prospects of enduring was still discussed. I think that after seventy years it is possible to answer that question affirmatively. But, as I said a moment ago, let us not lay hands on the British North America Act without the most careful consideration. It is particularly necessary to take account of the powers assigned to the central government and to the provinces.

The honour of proposing the address in reply to the speech from the throne I owe to a county that, ever since confederation, has remained faithful to Canadian Liberalism. Immediately after the victory the right hon. the Prime Minister (Mr. Mackenzie King) very kindly asked me to propose this address. It is an honour which I owe to the electors of Lotbinière and for which I am grateful to them. At the same time I offer my thanks to the right hon. the Prime Minister who particularly wished, I believe, to show his appreciation of the unswerving fidelity of the voters of Lotbinière to the principles and ideas which he has upheld in this chamber and elsewhere with such brilliance and success.

[Mr. Francœur.]

Someone has said:

Nations are not, any more than individuals, the result of spontaneous generation; they are the outcome of a long succession of efforts, sacrifices and devotion.

Every Canadian should ponder these words and be governed by them. He should strive by constant effort and sacrifice, by untiring devotion, to preserve the heritage of our political liberty, of our institutions and of our laws. It is in Canadian Liberalism, to which their attachment never ceases to grow, in their broadness of outlook, their love of freedom, their tolerance, their respect for all opinions and all rights that our people will find the ideals which uplift and strengthen their soul and sustain them in their struggle towards the realization of their destiny.

The men who uphold Canadian Liberalism to-day are the worthy successors of those who, in the ranks of their party, have no other aim than the greatness of their country. They have just received a new and striking expression of confidence which this house will surely ratify.

Mr. Speaker, I have the honour to propose:

That the following address be presented to His Excellency the Governor General, to offer the humble thanks of this house to His Excellency for the gracious speech which he has been pleased to make to both houses of parliament; namely,—

To His Excellency the Right Honourable Baron Tweedsmuir of Elsfield, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Order of the Companions of Honour, Governor General and Commander in Chief of the Dominion of Canada.

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

Mr. R. M. WARREN (Renfrew North): Mr. Speaker, in rising to second the motion for an address in reply to the speech from the throne, may I first be permitted to thank the Prime Minister (Mr. Mackenzie King) on behalf of the citizens of North Renfrew for the honour conferred upon us. There is no doubt that in conferring this honour he had in mind the paying of a tribute to the memory of an old and staunch friend, the late Doctor Matthew McKay. Doctor McKay was an unusual character. In his profession he served the poor just as readily and willingly as those who were able to pay. He always took an intense interest in public affairs. I suppose there had not been an election held in

the last sixty years in which he did not take an active part. He was progressive in his ideas and always striving to raise the standards of the poorer classes.

During the past year we have lost many useful public servants. I am sure we all greatly regret their passing, but their works remain to keep their memories fresh.

In the speech from the throne mention is made of the coronation. It must have been pleasing to the Prime Minister and his ministers to know that while they were taking part in the festivities in England, all across the Dominion of Canada, in every city, town and hamlet, citizens from all walks of life were gathered together to rejoice and celebrate as was being done in England. This must have been pleasing also to Lord Tweedsmuir, the representative of our king, George VI. We have followed with intense interest the travels of His Excellency during the past year. A gentleman who is so anxious to gain first-hand knowledge of the remote parts of Canada must be a useful servant, not only of the people of Canada but of His Majesty the King.

Mention is made also of the tragic crop failures in Saskatchewan and southern Alberta. It is hard for us to realize just what these successive crop failures mean. There is not only a loss of purchasing power to thousands of farmers, but also a reduction in the revenues of our railways. Then in addition the thousands who have been left without any means of support must be cared for.

There is one feature of the handling of this situation which I think is worthy of mention. The government decided, I believe rightly, that it would be much cheaper to reduce the number of live stock in the dried out areas to the minimum rather than to import feed to carry them over the winter. The stock was gathered together and taken to feeding grounds in Manitoba. They were then graded and each animal was sent to the proper market. It appears to me that that was good business on the part of the government. As we all know, there are speculators who are ready to take advantage of the distress or lack of knowledge of the farmer, but the opportunity of taking that advantage was eliminated by the action taken by the government. Much of this stock was sold by auction at the yards in Manitoba and the returns from the sales were made to the farmers in the dried out areas.

We are glad to report that the condition of our farmers generally is gradually improving. Back taxes are being paid up and cars which have been locked up are again being taken out. Telephones which have been disconnected for some time are now being hooked up. The new agreement entered into between this government and our neighbours to the south has had a great deal to do with improving the condition of many of our Canadian farmers. To quote a few examples: In 1935 we sold $12,987 worth of alfalfa seed to the United States; in 1937 this had increased to $826,507. Of cattle we sold in 1935, $5,617,861 worth; in 1937 this had increased to $13,553,064, an increase of 141 per cent. Of horses we exported in 1935, $630,331 worth; in 1937 the export had increased to $1,309,535, an increase of 107 per cent. Of live poultry we shipped in 1935, $14,535 worth; in 1937 this had increased to $833,235. The percentage of increase in this case would be so great as to look rather ridiculous, so I have not worked it out. Of cream, in 1935 we shipped $7 worth; in 1937 the value of our shipments was $191,911, and even at that we did not nearly fill our quota.

These results do not appear to have interfered at all with our trade to the British Isles. We find that, as regards the export of cattle, in 1935 we shipped to Great Britain 6,704 cattle; in 1937 this had increased to 9,610, an increase in the numbers shipped of 43 per cent. In 1935 the value was $428,838; in 1937 it was $858,347, an increase of 100 per cent. Of cheese we shipped in 1935 527,196 hundredweight; in 1937 we shipped 811,815 hundredweight, representing an increase in quantity of 53 per cent and in value of 97 per cent.

There is in Renfrew county, and, I suppose, in a great many other counties throughout Canada, quite a number of farmers who to a considerable extent depend upon forest products for their living. We have now reached a stage where we have a market for any of those products. No longer is our pulpwood rotting at the sidings and our mature timber deteriorating in the woods for lack of a market. Yet we as farmers have a great deal to learn, particularly as to the proper preparation of our products for market as well as the proper method of marketing them. It is comforting to know that in this regard the government proposes to give to the farmers of this dominion every possible assistance. I will give a small example of what may be accomplished in this respect During the last two or three years the live stock branch of the federal government has been responsible for the organizing of some twenty-six associations throughout the province of Ontario which handle eggs and poultry on a graded basis. This business is done at the very minimum of cost. The farmer

who brings in his product knows he is going to be paid for it on a graded basis, and that the grade he gets at the grading station will be accepted on any market. It is estimated that this has resulted in an increase of three cents per dozen to the farmers who deliver eggs to these associations. That is only a beginning, one small beginning, perhaps, but there are many opportunities; for the field is so large. It is some comfort to know that throughout Canada, outside this house as well as among many hon. members, men are studying and grappling with these questions, and it is to be hoped that the farmers generally will cooperate to bring about better methods of marketing our products.

We have heard a great deal during recent years of the problem of unemployment, and it is some comfort to know that the figures of the past year show a decrease, in this respect, of 213,000 persons receiving relief, representing a decrease of 21 per cent as compared with 1936. In thinking of this question, or for that matter any other, one is likely to be more or less influenced by local conditions; and I am glad to be able to report that, as compared with 1934, in the north riding of Renfrew relief has been reduced by 85 per cent. I am also pleased to be able to report that for the last seven months of 1937 we have not had any employable men in receipt of relief. I do not think that conditions are particularly abnormal in Renfrew county, but I want to take this opportunity of paying a tribute to the active employment officials and to employers of labour in that county. We have officials who are not afraid or unwilling to go out and hunt jobs for men, and employers who are willing to give a man a chance to get experience and to become hardened up to his job after some months of idleness. We have had splendid cooperation from our officials and our employers of labour. This condition is not anything of a miracle; it is, I believe, something that might be accomplished in a great many municipalities if the same effort were put forth.

A great deal is said on public platforms regarding the problem of youth. In the rural districts, particularly in those of North Renfrew, this has never been much of a problem. Our boys and girls, apparently, are capable of going out and finding their own jobs. We have had some very happy experiences, particularly during the past year, of young fellows who, having drifted away to the mining areas or the woods, have come back in shining cars, well dressed, with a sufficient competence to enable them to marry local girls. The neighbours get together and give them a grand reception, showering them with gifts, and away they go to become home builders in Canada.

I suppose this problem of youth is one that has to be faced in the towns and cities. During the last session there was a move on the part of this government to train the youth of Canada, and now upwards of fourteen thousand of our young people are receiving training on a fifty-fifty basis as between the province and the dominion government. These young people are being trained in industry, in forestry, in domestic work and in many useful callings. I note that this work is to be carried on, and that a school for the training of girls is to be opened this week, I believe, in the city of Ottawa.

I have often wondered why more of our young women do not take up this line of work. It is true that most of our girls prefer to be office workers or school teachers, but it is often very true that the girl who is willing to go into a good home and do domestic work has more money in her pocket at the end of the year than the office girl or the school teacher; and in engaging in such work she probably gains about as much in culture and really useful learning as she would in a ladies' college.

It is important, I suppose, that we should know what our young people are working at; but it is much more important that we should know that they have an opportunity to work at some useful occupation. I am glad to observe, therefore, the indication in the speech from the throne that the government will continue to deal with this problem. This is only the beginning, and I feel confident that what is now being done will develop into something that will be of great benefit throughout the dominion.

In the collection of revenues, there have been no new sources of taxation this year, so that if we have an increased revenue that is a sure indication that conditions have improved. If there is an increase in revenue in all branches, that again should indicate that the improvement is general. Now what are the facts? In a statement issued recently by the Minister of Finance (Mr. Dunning) we are told that in the first eight months of the fiscal year our revenues had improved over those of the previous year by 18·8 per cent; or, stated in figures, our revenues were up by $57,200,000. The total for those eight months was $360,330,000, or the highest ever recorded.

The use of the mails ought to be a fairly true indication of conditions, because when conditions are exceptionally bad, people hesitate to buy postage stamps. In the Post Office Department, however, we have a

wonderful machine that delivers our mails in sunshine or rain, every day, in rural as well as in urban districts, a machine that manages somehow to take care of the great increase in the amount of mail handled during the Christmas rush. And what is the situation in that department? The Post Office Department is operated, not for profit, but for service, though if it can show a surplus so much the better; for a surplus naturally helps the taxpayer, whereas if there is a deficit it has to be paid by the same taxpayer. We have a surplus in the Post Office Department of $3,735,976.73, the highest on record.

Do you know, Mr. Speaker, that in sixty-nine years this particular department has shown forty-two deficits as compared with twenty-seven surpluses? It is gratifying, therefore, to know that there is a surplus in the Post Office Department; it undoubtedly indicates more favourable conditions among the people. In the matter of revenue, it is also worthy of note that the great increase has come from our external trade. Our external trade is largely responsible for the improvement; and there is one feature in this connection which must cause a tingle of pride in every Canadian, and that is that Canada, a nation of eleven million people, now occupies fourth position among the exporting countries of the world.

It should also be of interest to the Canadian people that during the past year new trade agreements have been arranged with fifteen different countries, and that negotiations in the direction of liberalizing trade have become almost continuous. I am sure there is nothing that would do more to prevent war and to put an end to the fear of war than fair trade agreements. I hope that the example set by the Department of Trade and Commerce will be emulated by all the nations of the world.

We have in Canada at present a royal commission of inquiry which apparently has been causing a measure of unrest in the minds of some people lest changes which might be proposed would create disharmony between provinces. Undoubtedly their fears are uncalled for. I had the pleasure of attending a little dinner the other day at which were present members of this house from almost every province in the dominion. The impression I gained at that dinner was that if the matter is left with hon. members on this side of the house, harmony and unity will prevail.

Taking the good with the bad I believe this government can face the coming year with great courage and optimism and hopefulness. I doubt whether in the history of Canada any government ever more fully enjoyed the confidence of the people. This sentiment is clearly felt as one travels here and there throughout the country; one gathers it not from Liberals alone, but from members of different political parties. The people feel an assured confidence that this government is carrying on and will carry on in the best interests of our great dominion. If any proof of that were required we have sufficient in the fact that since this house met last year six vacancies have been filled, five of which were filled by Liberal members. One went to the opposition, but even that was due to the generosity of the government in allowing an acclamation.

I take great pleasure, Mr. Speaker, in seconding the motion of my hon. friend (Mr. Francoeur) for an address in reply to the speech from the throne.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I greatly regret that an accident in transport prevented me from hearing the undoubtedly admirable speech in which this motion was moved. I heard a portion of the address made by the hon. member who seconded the motion, and if the whole speech relied, as much as did the part I heard, upon his imagination, I am quite certain it was an admirable performance.

The speech from the throne might well have been an address prepared before the war; but in these days it is difficult to understand any such document being submitted to a responsible parliament in the British dominions. It leaves such uncertainty in the minds of those who read it; it contains so many provisos, and at times is couched in language so ambiguous, that one cannot be sure whether it was a product of the Minister of Agriculture (Mr. Gardiner) when opposing the Committee for Industrial Organization or of the Minister of Labour (Mr. Rogers) when supporting it.

With the first paragraph of the speech I think we can all agree. The most important event of last year in our world was the coronation of the king and queen; and that during the past year they have succeeded in so performing a very difficult task as to command the admiration and respect of their own peoples and the esteem and regard of the world is something with which we are all well pleased. It strikes me as a matter of singular importance that a young man and a young woman should have offered their lives as lives of service to the people in the manner in which the king and queen did at the coronation. It has been well said that the spectacle of the coronation was not only a

great pageant, it was more; it was a service so deeply moving in all its aspects as to impress men and women with the magnitude of the task undertaken by the king and queen as well as the duties and responsibilities that rest upon their subjects.

But when we have dealt with that we cannot forget that at the same time there met an imperial conference. If one reads the records of that conference as they were presented to us a few days ago it is difficult to understand what it met for. But if one reads the reports in the newspapers he finds a somewhat deeper significance. If the speech of the Prime Minister of Canada (Mr. Mackenzie King) as reported in the press—and not in the proceedings—is to be taken as being of value, he undertook to interpret the will of the chief executive of a foreign country to those who were assembled with him as representing the British commonwealth of nations. I do not pronounce upon the authenticity of those reports; it is not for me to do so, but they appeared at some length in leading journals, and doubtless there was some foundation for their being thus printed.

But there is one thing upon which we can all agree, and that is the pride and satisfaction we feel in the knowledge that the British commonwealth has withstood so many shocks during the year through which we have passed. Menaced as it has been on more fronts than one, it has still stood four-square to all the winds that blow, and we know that whatever else may be said, the greatest assurance we have for the maintenance of our democracy and our institutions lies in the preservation of that commonwealth of nations amongst the peoples of the world. There may be ample opportunity on a later occasion to discuss matters connected with the imperial conference of 1937. I do not propose to enter upon a discussion at this moment with respect to these matters. But it is of course of singular importance to us as well as to the other dominions that for the first time the new sovereign was crowned as king, and his consort as queen, of the overseas dominions by name, as indicated in the speech from the throne. The imperial conference did and does afford an opportunity to discuss problems of common concern to everyone who lives within the commonwealth. That the Minister of National Defence (Mr. Mackenzie) availed himself of that opportunity is not unexpected. Those who have had the pleasure of reading his utterances, such as those delivered in Victoria not long since, will realize the striking effect they had upon his mind.

[Mr. Bennett.]

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Even the minister himself laughs loudly as he recalls the effect upon his mind as indicated by his speeches delivered on those occasions. About that I shall have something to say before I resume my seat, but there is one thing that did not take place at the imperial conference with respect to defence. That was that responsible people should publish in this country the extent of the provision we have made for the defence of Canada. When I read in the press, as I did, a statement that had about it every sign of having been authorized by someone, as to the character and type of the defences we are erecting on Vancouver Island and on the mainland, I wondered if at the imperial conference the minister was told that this might be desirable. Those who are responsible for these publications, to which I shall refer presently, have done a grievous wrong to this country, for they have published to the world the size, calibre and weight of the guns we are to use, and what their prospective range may be. No such thing has ever happened in any country that I know of in the world before, and I do suggest that the Minister of National Defence at least did not learn that rule of strategy at the meetings of the imperial conference.

I should like to say how much I rejoice, as do those who are associated with me, in the gratifying progress of this country during the last twelve months. The upward trend began in 1933. The president of one of our banks pointed out that last year the progress was greater than in any other year excepting the progress in 1934 over 1933. It is desirable to point out, it seems to me, that there has been little departure, by the new administration, from the policies of the government that formerly held office, and that at the end of two years, entering upon the third session, they, in common with other governments of the world, rejoice because of a prosperity which, during the last twelve months, was very great indeed. But it has been interrupted. It will be found that the report of our exports in the months of November and December last shows that they have decreased as compared with November and December of 1936, and it is also well to recall the fact that the favourable trade balance which we had with the United States, amounting to over $50,000,000, has been altered to an adverse balance on visible commodities amounting to several millions of dollars.

Now, Mr. Speaker, I should like to direct the attention of the Minister of Finance (Mr. Dunning) to some of his utterances in 1929 and 1930. He will recall how, in those days of buoyant trade and expanding revenues he, as

Minister of Finance, pointed out that all was well; yet within a few short months a nation that depended upon its external trade found its favourable balances destroyed, with adverse balances created and depression upon us unequalled in the history of the country. It is true that the depression was not limited to Canada, but it cannot for a moment be denied that the conditions that exist in this country, to which the Minister of Finance referred in 1929 and 1930, are conditions that obtained in 1937, and the interruption of that seeming prosperity—for I call it but seeming when it depends upon export trade—in November and December by a falling off in our export trade to the extent of many millions of dollars, cannot be explained solely by the lessening of wheat exports. When we contemplate these matters those of us who remember that history has an unfortunate habit of repeating itself must reflect as to what steps are being taken by the government of the day to provide against the conditions of which these are symptomatic signs. You have it in the United States; you have it here.

It is worthy of note, further, that the seeming prosperity to which attention is directed with respect to export trade as well as with respect to domestic activities is not unconnected with the armaments being provided by the nations of the world. I wonder if trouble has been taken to investigate the extent to which our export trade, to which reference is made, depends upon the production of war materials by nations that are providing armaments for their own defence or for aggressive purposes. I wonder if that is being considered. I wonder if the government realize that upon an analysis of those figures, which properly may be made at some future time, it will appear that the prosperity to which we allude depends in no small measure upon the armaments that are being created by the nations of the world, for the production of which Canadian raw materials are being acquired.

That in itself should make the minister pause and reflect, for I recall that in 1930 he reduced the sales tax in the face of a positive deficit. Then when he came into office he increased it from six per cent to eight per cent.

But, Mr. Speaker, I want to go a step further. As I came in the hon. member for Renfrew North (Mr. Warren) was referring to the great revenues that this country has been producing, and he pointed out that not in the history of Canada had we ever raised so much money as national revenue as we have collected during the last few months. Stripped of verbiage, Mr. Speaker, that merely means that the Minister of Finance imposed higher taxes per capita upon the people than have ever been imposed upon them before. That is all it means. There is only one method by which money can be collected. That method is by taxation. I was blamed once for directing attention to that fact. The taxes imposed upon the Canadian people during the last few months have been higher per capita than at any time previously in the history of this dominion. Yet we rejoice and say, "Behold, the great revenues we have taken from the Canadian people. We have retained the excise tax that we railed against when we were out of office. We have retained the three per cent excise tax upon commodities coming into this country." Before the previous government went out of office it removed it with respect to Great Britain and the British Empire. "We have retained our sales tax, not at the old rate of six per cent but at the rate of eight per cent," which in itself has been a tremendous tax upon business. "We have retained the three cent postage rate," and the hon. gentleman who has just taken his seat, who rejoiced over these great revenues, must have reflected upon the fact that while in days of great depression, in order to maintain the service, it was necessary to make the rate three cents per ounce, in these days of abounding prosperity, the same rate must be retained. Rather than boast of the surplus with respect to the Post Office Department he should have said, "I regret that there has been no increase in the amounts paid to rural mail carriers. I regret that there has been no reduction in postal rates." I recall that last year I asked the minister whether or not he thought it was likely that he would be able to make any such reduction, and he regretted that it would not be so. Now his faithful follower comes and says, "Behold the surplus; behold the surplus!" Is it the purpose of the government to conduct the Post Office Department simply to create a surplus, or is it the purpose to render a service to the public? Can they rejoice because men who were poorly paid when the minister was not in office are now paid at the same rate? It all depends upon where the minister sits.

So far as I have been able to see, the Minister of Finance has not remitted the stamp tax on cheques, nor have I heard of a remission of the excise tax. Who within the sound of my voice can for a moment forget the pathetic tale which was unfolded day after day about the iniquitous sugar tax? Why,

the Minister of National Revenue (Mr. Ilsley) must recall his fervid eloquence as he told the people of this country of the sad plight in which they were put, because the sugar tax was reduced only from two cents to one cent per pound. There it still remains. Incredible as it may seem, it is the same one cent per pound. Doubtless at an early day, if an election is imminent, the Minister of Finance will reduce or abolish it, just as in 1930 he reduced the sales tax from two per cent to one per cent. I mention these matters because they seem to have a direct bearing upon the observations made in the speech from the throne.

Mr. WARREN: May I ask the right hon. gentleman a question?

Mr. BENNETT: I think it might be desirable for the hon. member to resume his seat.

Mr. SPEAKER: With the consent of the right hon. gentleman the hon. member may ask a question.

Mr. BENNETT: When I have finished the hon. member may ask any questions he wishes.

I have observed, of course, the reference made to the conditions under which we live in western Canada. The prosperity that has been so apparent in some parts of Canada has not been apparent in western Canada, except in the Turner valley. There has been a lack of moisture for which, in days gone by, the members of the present government would have charged the then government with full responsibility. We do not charge that lack of moisture to their account. We do not think, for instance, that a magic wand could be waved by the Minister of Agriculture by which he could reduce the Department of Trade and Commerce to a mere nonentity, will provide moisture for the stricken areas of the west. And we have some doubt as to whether or not a Shaw report would be capable of doing it. I feel quite sure, however, that if we could set up the machinery suggested by that report we might be able to provide, shall we say, some provincial premier with larger powers such as were proposed with respect to a high commissioner.

However, I have only this to say with respect to the administration of the act: It is still a politically administered act. At the proper time and place I should like to bring to this chamber a number of communications, provided the reading of them would not worry the house. But with respect to the relief afforded to those who have been so unfortunate as to live within the areas in question, it is quite clear that this government has divorced itself from some of its responsibility, and has left it with the provincial administration.

I shall give an illustration of what I mean, one which may be multiplied many times over. In their wisdom the government may decide that a herd must be reduced; we will say from twenty to ten. The order goes forth, accordingly. The reason is obvious; it lies in the difficulty of providing fodder and feed for the purpose of taking care of twenty head of cattle. The number is reduced to ten, and feed is provided accordingly. But unfortunately—and I say unfortunately, because I am prepared to support my statement with cases, days and dates—when an individual believes that his herd should not be reduced to ten he has recourse to a political effort, and I suppose he cannot be blamed for it. His efforts may induce the authority to say that for the ten may be substituted fifteen. That has been going on constantly. In case after case and community after community men have gone down and said, "It is desirable that John Smith should not be cut down to ten. He is a good fellow; he has great influence; we do not wish to lose his good will. Let us permit him to retain the fifteen he says he must have." It is not altogether unexpected, but our complaint is that these matters should be subject to a purely political administration. The other day in a small community a friend of mine who was a stranger to that community found three inspectors operating. One was in the local area, one was in the combined areas and there was a superintendent—to inspect the inspectors. I assume that is a very difficult task in times like these.

These conditions are inevitable if the conduct of business is left to purely political sources. To quote the language used on many occasions by the first minister, human nature being what it is we are not surprised that this goes on. If any hon. members have any doubt upon it they can verify the facts in a very few minutes.

I repeat that when the money of the taxpayers is being spent in this way it certainly should be done by some independent commission, so as to prevent not only the opportunity but the temptation for political administration. However, I am not so young that I do not realize how difficult it is for governments to withstand the pressure brought to bear, as in this instance, when herds are being cut down, when fodder is to be provided and representations are made as to the desirability of making exceptions in the cases of Smith, Jones or some others. When we multiply that procedure the effect

is to create dissatisfaction and dissension and a measure of unhappiness and uneasiness in the community, area or province, and I suggest it is a procedure which should be avoided. I make the criticism because it has come to my attention that there have been many such cases, and that they have not occurred by accident but have been done by design. Knowing something of political considerations as they affect the judgment of men, I am simply pointing out that the government should take steps to prevent action of that kind being taken.

The Department of Agriculture has desired to expand its activities, and I suggest without regard to the provision of the statute—for after all, there are statutes which have to do with the powers of ministers, statutes which state that the Minister of Trade and Commerce has one power and the Minister of Agriculture another. All ministers, under the statutes creating their departments, are supposed to discharge the duties devolving upon them and arising from those statutes. We have a singular circumstance here, for we have the statute creating the Department of Agriculture and indicating the work that that department is to do, the definite purposes for which it was created, the duties which it is its responsibility to discharge. I was going to read them, but I shall not take the time to do so. The Department of Trade and Commerce has certain obligations. The obligations of the two departments do not agree, of course.

I would point out that there has not been a time in this country when there has not been some measure of conflict between these two departments. On the one hand we have the Department of Agriculture contending that it is interested in goods or commodities after they have left these shores. On the other hand we have the Department of Trade and Commerce, with its emissaries in all parts of the world, contending that the duty devolves upon them of seeing to the distribution or sale of the commodities which the Department of Agriculture has properly prepared for sale.

The Minister of Agriculture appointed a commission to go to England. I observe from the report of that commission that the report is made to the Minister of Agriculture. That report deals with matters overseas, matters which under the statute come properly within the purview of the duties of the Minister of Trade and Commerce. It is not for me to determine how these matters are to be settled, but it is my duty to point out the fact that there is conflicting authority. I recall that the Minister of Agriculture warmly espoused the cause of the Committee for Industrial Organization in a recent provincial election, while the Minister of Labour was censored by at least two papers for, as one paper said, butting into the Ontario political situation and stating that he was opposed to the attitude of Mr. Hepburn with respect to the Committee for Industrial Organization. I cannot but think that this is a clear manifestation of an effort by the Minister of Agriculture to see what can be done in the way of having the Committee for Industrial Organization unite the forces of the high commissioner's office in London with those of the Minister of Trade and Commerce in this country. I cannot explain it in any other way.

I fancy the Minister of Agriculture has his little joke as he reflects at night upon the achievements of the day. He has been able to bring a measure of order out of chaos. Applying the C.I.O. principle to his colleague the Minister of Trade and Commerce and his legionnaires, and to the Minister of Labour and his wide-scattered army, he has been able to achieve a measure of success as is indicated in the speech from the throne by these words:

> The Department of Agriculture has been reorganized and its services consolidated along lines designed to improve the standard and acceptability of Canadian farm products.

Where? At home or abroad? That is where the fine Italian hand of the Minister of Agriculture is at work, in leaving out any reference to where the acceptability of Canadian farm products is to be improved. Is it to be among the peoples of the world? That is the job of the Minister of Trade and Commerce, so let us leave it out. Do we traval abroad? Do we set up our new standards for use here or somewhere else? Perhaps the Prime Minister will explain why no reference is made in this document to the community to which the statement refers.

It looks like a brilliant stroke to talk about reorganizing the Department of Agriculture, but I have not seen any statute which authorizes this reorganizing. I can remember that the right hon. Minister of Justice (Mr. Lapointe) pointing out on more than one occasion that there must be statutory authority for anything that is done, yet we have the reorganization of this department without any statutory authority. The law as it stands upon the statute books has not been altered, and it indicates with certainty and clearness the authority of the respective ministers. I regard this as important. It is the old story as to

where the authority of one department begins and the authority of the other ends—there is nothing new about it. If this is to be determined, as it should be finally, then it should be done by statute and not otherwise. If it was done by order in council presumably the order in council would have been laid upon the table in order that we might understand and appreciate the extent to which reorganization had been carried out. I thought I had among my papers a typewritten statement of the duties of the two departments, but I do not seem to be able to lay my hand upon it. However, there will be ample opportunity to discuss the matter on another occasion.

The next matter that engages the attention of the house at the instance of the government has to do with the air service, about which we will hear more when the minister proceeds with his bill. According to the bill which appears upon the order paper we are about to enter upon an ambitious scheme of transacting air business outside of our own country.

Reference is made in the speech from the throne to the work of three commissions. One commission was appointed under the provisions of the Veterans' Assistance Commission Act, 1936; another was appointed to inquire into the textile industry, and then there is the national employment commission. The national employment commission has made a report to which apparently the chairman has given very careful attention. It might be a matter of inquiry as to why no steps are being taken to implement this report. If the commission was of the importance indicated, why has its report not been implemented? Why does the speech from the throne not indicate that it is proposed to do so? From the language of this document it would appear that the commission has concluded its labours and is now to go out of business.

I come now to the commission appointed to inquire into the textile industry. This commission was appointed two years ago, shortly after the present government came into office; we are now at the end of January, 1938, and the report of the commission has not yet been filed or tabled in the house. There was a tariff board to which this matter might have been referred. Those of us who have followed the language used by counsel who appeared on behalf of the government when attacking the industry and the officers of the industry wonder why one who was selected by the government to represent it on many occasions during the progress of the grain inquiry finds it not inconsistent with his sense of decency to become a director of the Dominion Textile Company.

Mr. DUNNING: That is quite wrong.

Mr. BENNETT: The press carried photographs of Mr. Ralston along with that announcement.

Mr. DUNNING: I am quite sure that my right hon. friend's statement is in error and that he would not want to do an injustice to any individual by making such a statement.

Mr. BENNETT: It was so stated in the Financial Post.

Mr. DUNNING: In addition, Colonel Ralston was not counsel on the textile inquiry.

Mr. BENNETT: I did not say that he was. I said he was counsel on the grain inquiry. I also said he had joined the directorate of the Dominion Textile Company; and in the Toronto Financial Post, as well as in the daily papers of Montreal, his photograph was published with the statement that he had joined that board.

Mr. MACKENZIE KING: May I say to my right hon. friend that I saw the report, or one of them, to which he refers, and asked Colonel Ralston if the report was true. Colonel Ralston said to me in reply that his name had been placed on the board of directors but that he had refused to accept an appointment.

Mr. BENNETT: I am very glad to hear that, for the simple reason that it seemed to me to be wholly inconsistent with the discharge of the duties of counsel to the government of this country on the grain inquiry for him to occupy such a position, when counsel for the dominion in the textile inquiry had denounced those companies in the terms in which he had. Those who followed the language used in the denunciation of the textile companies will understand exactly why I make that statement. I am very glad indeed to hear what the Prime Minister has said; I regret to say that I do not think it has attained much publicity, but I trust that this publicity will end any question that may arise in that regard.

But let us go a step further. Why has this matter dragged for two years? Why, when the hon. member for Sherbrooke (Mr. Howard) was so insistent with respect to an immediate inquiry—which was granted—has two years elapsed and no report been made? There was a tariff board, to which it was not referred; this special commission of one man was set up for the purpose of making the inquiry and side by side with that there was

imposed upon him the further duty of making an inquiry which took him out of Canada as well as over every part of this dominion. I should like to know why. There are many people in this country who would like to know why. And why should we not yet have the report to which reference is made? It is said of these commissions that reports will be tabled in due course, and the other day we did receive one report, or I think two, but that on the textile industry has not yet come to hand. It will be recalled—the hon. member for Moose Jaw (Mr. Ross) will remember—that the same commissioner was making a report on the grain act. That report has not yet been received. Presumably it was quite as important as any other that could be made with respect to one of the major industries of this country.

We are next referred to the stresses and strains that this confederation has encountered during the last seventy years and to the work of the royal commission that is dealing with problems connected with those stresses and strains. I have had occasion more than once to refer to this commission, and I will observe that on two occasions, at least, the adjectives that I used were somewhat misplaced and the remarks I made with reference to one member were attributed as a reference to another. I think I had better clear up at once any misapprehension there may be. I was opposed to this commission. I still am, and nothing has more clearly vindicated the soundness of that judgment than what has taken place since it came into being. Behold the spectacle of a commission opening its proceedings in the new provinces of the west and every one of those provinces making demands upon the federal exchequer, which very naturally have their effect upon those who are responsible for the conduct of government in the older provinces where the population is more numerous and their contribution to revenue consequently greater. But the real difficulty about that commission as compared with a conference is this, that in the one case you have an immediate reply made to what is said. You have that debate, that discussion by which a misstatement cannot go unchallenged. That was the whole benefit of the discussions with respect to confederation. The other day one of the newspapers referred to "the commission on reconfederation"; and it is true that this commission is given power to deal with the distribution of legislative powers.

Now, in dealing with that matter it must be clear that no one excepting the provinces themselves is in a position to speak with any authority with respect to their views. What can be done in the progress of debate? Many a view is put forward which is challenged by the federal power. A discussion ensues and usually an accommodation is arrived at. It is said that the genius of British government is the power to arrive at an accommodation when diverse views are being presented. Here there is no opportunity for that sort of thing. Here there is no opportunity for that discussion between representatives of the federal power on the one hand and the provinces on the other which is essential to sound understanding. And if there is to be a conference afterwards between the provinces and the dominion, think of what has been done to make that conference abortive; think of what has been done to nullify and defeat the very purpose for which it came into being. You have already prejudged your position ex parte. You have done it without affording the opportunity for that fruitful discussion and debate which alone will enable agreement to be arrived at.

Apart altogether from that, I did protest against a commission which undertakes to redefine constitutional powers being composed of members of one shade of political opinion. I want to make it abundantly clear that I have the most profound regard for the chairman of that commission. Not only that, I said on one occasion that if a vacancy were to occur in the office of chief justice of Ontario, it being the duty of the prime minister to make the recommendation, I should have recommended Mr. Rowell for that position. I so stated to the then chief justice. But that does not detract from the fact that Mr. Rowell in public life or as a private citizen was a man with strong political views. That is what I said. And I say with respect to the editor of the Winnipeg Free Press, Doctor Dafoe, that he is a man who has managed by one means or another to insult all those who do not share his political opinions. He has been doctor in chief and physician extraordinary to the Bracken government ever since it came into office, and he had the pleasure the other day of having them appear before him and say that if something was not done, they would default. Presumably now, as physician in chief to the whole dominion, he desires to apply a remedy with a like result.

With regard to the gentleman who represents the maritime provinces, I repeat that for bitter partisanship I have never known his equal. I say further that he published a book recently and sent the proofs of it for

revision to many people throughout this dominion, and from beginning to end it was a tissue of misrepresentations and false statements that had to be corrected in order that it might have a semblance of truth attached to it. That is the position with respect to it, and I know whereof I speak.

Mr. MARTIN: That is not true.

Mr. BENNETT: Let there be no misunderstanding with respect to it.

Mr. DUNNING: What was the book?

Mr. BENNETT: I think it had to do with the foreign policy of the right hon. the Prime Minister—it was a tissue of misrepresentation, of inaccurate statements, untrue statements—I use the word deliberately, and any one who wants to see the proof can verify what I have said.

Mr. MARTIN: I have seen it.

Mr. BENNETT: And when it is corrected I have no doubt it will be put on a proper basis, because corrections have been made in some instances by those who are in a position to make them. What is more, copies were sent to many people in this country—

Mr. MARTIN: I am one of them.

Mr. BENNETT: That indicates a lack of prescience on the part of the author, because he knew there would be no doubt of what the hon. member would do as to agreeing with anything he might say.

In its very nature, this commission must be harmful rather than helpful in dealing with this problem. Look what you have done already. You have heard the claims of Manitoba, of Saskatchewan, of Alberta, of British Columbia; you are about to hear the claims of the eastern provinces; and now you have the two central provinces, through their premiers, already taking a definite position in the matter. This is what we have, instead of a meeting together as our fathers did at Quebec when they were forming this constitution—or meeting together as they did in the United States to frame the American constitution. Would there have been an American constitution had it been made a matter for a commission? No; the people of the American colonies met together; and those who have read the record that Madison kept of those proceedings realize how constitutions are framed. They realize that accommodation is indispensable, that accommodation can be arrived at only when men have an opportunity at once to controvert an opinion or to assail a position that is taken by an adversary. I take one view, you take another; I meet you at once with my argument and you meet me forthwith with yours in reply; and along a middle course we arrive at an accommodation. That is the manner in which our constitution was framed; that is the way in which it was done at Quebec. Those who have followed the debates of confederation and know the inner history of the subject as recorded by Macdonald in some of his correspondence will realize how difficult it was, in the very nature of things, to arrive at a conclusion.

Now let us look at the western position. The western position relied, more perhaps than upon anything else, upon a brief prepared by the Minister of Labour (Mr. Rogers), at a time when he did not occupy that position—a brief prepared on behalf of the province of Nova Scotia, and entitled, A Submission on Dominion-Provincial Relations and the Fiscal Disabilities of Nova Scotia Within the Canadian Federation. I hold the document in my hand, and I make this statement, that in respect of the presentation on behalf of the western provinces reliance has been placed upon this very document, showing how unkind, unjust and unfair we, as a dominion, have been to these provinces, because figures were given by the minister to show the extent to which the tariff, in his opinion, had operated to the detriment of these communities.

Let us go a step further. Setting out the basis upon which he proceeded, he took the tariff as it stood in 1930, taking it after it had been revised, and despite the fact that those who were concerned about it had said they would not increase their prices. Nor had they done so, except with respect to raw materials; and, as is well known, it was but a temporary tariff to meet an emergent situation. The Minister of Labour, with great care, sets out the whole historic side of confederation; then proceeds to show, in his own inimitable manner, the extent to which, as he says, the situation which he describes is attributable to the tariff. He takes, for the purpose of arriving at his conclusions, the prices of the goods plus duty, not what was actually paid, but what would be paid; and he computes therefrom, in a cumulative way, the losses sustained by these provinces by reason of the tariff. The figures are set out in great tables, and these tables have now been made the basis of the claims set up on behalf of the western provinces.

Let me ask this question: Is it consistent with our idea of democratic government that a Minister of Labour should remain in a government that has been practising the same sort of tariff policies with respect to these provinces as did the government of which he

complains? That is what I put to the house. Let us have no misapprehension about that. If these tariffs were wrong at that time, then they are wrong now. They are just as wrong in the hands of a Liberal government as they would be in the hands of a Conservative administration. And yet the hon. gentleman sees fit to sit as a member of the present government and see the province, whose brief he presented on that occasion, continue to be the victim of these tariffs. He sees the rest of Canada the victim of these tariffs, and he has not a word of protest. Has his voice been heard in this house, since he came here, demanding that these tariffs be wiped out? Has he asked that they be abolished? I have not heard it, nor do I see anything suggesting it anywhere on the record of Hansard. You will find, perhaps, one or two moments when he had some little hesitancy about the soundness of his own conclusions, but at page 98 of the brief he says:

> The most accurate index of the varying rates of provincial consumption is afforded by the statistics of retail sales in Canada and its provinces as published by the Dominion Bureau of Statistics. On the basis of these figures the rates of provincial consumption in the various provinces are as follows—

> The next step in the calculation is to apply these percentages, representing provincial rates of consumption, to the total figure representing the gross value of protected goods manufactured and consumed in Canada, viz., $2,061,787,041. The results thus obtained indicate the consumption of protected goods of Canadian manufacture in the various provinces:

Prince Edward Island	$ 9,896,577
Nova Scotia	76,492,299
New Brunswick	62,472,147
Quebec	490,292,958
Ontario	817,704,740
Manitoba	141,438,591
Saskatchewan	141,644,769
Alberta	135,253,229
British Columbia	182,880,510

> In order to obtain the figures representing the cost of the tariff in each province in terms of enhancement of prices due to protection the same procedure is followed as in items "3" and "4" of the preceding computation. When the comparative world prices are computed and the average ad valorem duty of 26 per cent in 1931 is applied to the results thus obtained the following tabulation sets out the provincial distribution of the cost of the tariff in terms of enhancement of prices to consumers in the various provinces.

Is it any wonder we have stress and strain when a member of the government puts up that sort of plea to the west? Is it any wonder there is friction? Who created it? Who created the cry of "east against west"? I shall presently refer to an observation of the Minister of Agriculture (Mr. Gardiner) but this is what the present Minister of Labour said with respect to the enhancement of prices:

Province	Enhancement of prices due to tariff
Prince Edward Island	$ 2,042,150
Nova Scotia	15,784,124
New Brunswick	12,891,077
Quebec	101,171,562
Ontario	168,732,723
Manitoba	29,185,740
Saskatchewan	29,228,285
Alberta	27,909,396
British Columbia	37,737,247

> In order to indicate more clearly the comparative position of the several provinces in relation to tariff costs, it is desirable to place such costs on a per capita basis. The following table gives the computation of the per capita distribution of tariff costs by provinces for the year 1931:

Province	Per capita tariff cost
Prince Edward Island	$23 20
Nova Scotia	30 78
New Brunswick	31 58
Quebec	35 20
Ontario	49 17
Manitoba	41 69
Saskatchewan	31 71
Alberta	38 15
British Columbia	54 36

Then follows a recapitulation in which the tariff subsidy per capita is set out. The tariff subsidy in Ontario is $64.32 per capita; in Quebec, $46.23; in Manitoba, $28.44; in Saskatchewan, $3.55; in Alberta, $11.22; and in British Columbia, $32.03. There is the statement made by the present Minister of Labour, which is the basis upon which the claim is being made by the four western provinces before the Rowell commission. With respect to Nova Scotia he closes in this glorious manner:

> By segregating the figures of the above analysis, which apply to Nova Scotia, it is possible to present a recapitulation which will indicate the effect of the Canadian tariff on manufactured goods upon the income of this province for the given year 1931.

Total tariff cost in terms of enhancement of prices to consumers in Nova Scotia	$15,784,124
Total tariff subsidies in terms of enhanced prices chargeable by manufacturers of Nova Scotia	9,487,493
Net loss	$ 6,296,631

Now, sir, I note that on one or two occasions as the minister proceeded towards the end he became a little doubtful whether these figures would stand close analysis, and so he used the word "presumably" on more than one occasion.

Here we have this beautiful spectacle. A minister of the crown's presentation of the tariff of this federal authority; this tariff which he averred was enhancing prices, tiring out the consumer by an unreasonable burden that he could not carry and survive, made the basis of redistribution of legislative powers on the recommendation of a royal commission that his government appoints. Now, sir, since when was it the habit of a government to appoint a commission and then prepare the ammunition with which to destroy the value of its work? Since when was it regarded as sound, both from the standpoint of the country as a whole and from that of individual provinces, to have the case prepared by one member of the government made the basis of the case against the policies of the government itself? That is the story. But when the Prime Minister in the speech from the throne asks his excellency to indicate that:

> The strains and stresses which economic and social developments since confederation have placed upon Canada's governmental structure have disclosed the necessity for adjustments—

I ask him now and I ask the government whether or not they are, in the face of what is before us, going to abandon this tariff? Is it to be abandoned? Has the Minister of Labour no further use for tariffs in his position as minister and, if so, why does he whose statement is the foundation of the claim before the Rowell commission remain a member of the government? I do not know. But what I do know is that this statement, this brief of his, is the basis of the claim made upon this federal power in the four western provinces, and I assume it probably will be in the provinces by the sea.

Let us go a step further. Why have we to-day the disharmony that at present exists in this confederation? Has there ever been a day in the history of confederation in which there has been such lack of unity as exists to-day? Do hon. members recall the great Toronto gathering just before the last general election when there was broadcast from the eight provinces the demand for another Liberal government? The happy family! They could not have foreseen the C.I.O. and Beauharnois and other such matters in their true light. They could not have foreseen the shortage of power—they may have foreseen a shortage of ammunition. But, let us ask ourselves this question: Is it right or just or fair that they should complain of this lack of unity and harmony in this confederation when they have themselves laid the foundation for it? Take our western provinces, take Alberta and Saskatchewan; when they were made into provinces they were told that they were not to have their natural resources, that they should be paid a sum of money for them. There were those of us who said: This is not adequate, it is not proper, you are not going to have one province of one kind and another of another kind. In the end that view prevailed, and the government of that day brought down an agreement by which they left with the provinces the money that they took in lieu of resources and also turned the resources over, and then provided that they could make a claim for the resources they lost between the time they got paid for the whole and the time they got part of them. That commission made a report indicating millions of dollars to go to Saskatchewan, millions of dollars to Alberta; and in the case of Manitoba just before the election will anyone ever forget how the Prime Minister of that day, the Prime Minister of to-day, handing over this cheque for over four million dollars, indicated what a fine thing it was to have a government that was prepared thus to remember with this little nest-egg the little province of Manitoba? There is the story. Is it any wonder there is difficulty? Other provinces of course found themselves in a position of inferiority with respect to receipts from the dominion, and what happened? We had the Duncan commission and the Duncan report.

Mr. DUNNING: It preceded the one my right hon. friend has just referred to.

Mr. BENNETT: Yes, it came before, but if by using the words "we had," it was intended to indicate that it was after, I correct that. You had the Duncan report from the maritime provinces, and that report gave certain financial benefits to the provinces by the sea with a provision that they could be heard before a commission with respect to additional sums. They were heard by the late government, and a report was made that they were entitled under the terms of that document to additional sums.

So you have the maritimes and you have the three western provinces, but British Columbia was untouched. Why? Mr. Justice Martin was appointed to report with respect to railway lands, and the railway lands were turned over to British Columbia. But did you ever look at the figures as to receipts by British Columbia as compared with the other provinces? In the end the government of Canada paid to British Columbia on account, in order to make it

somewhat like the other provinces, $750,000 a year. Thus, in order to create some sense of equality, you had these sums paid to the maritimes, to the western provinces and to British Columbia, while the position of Quebec and Ontario was unchanged. One must remember that in the days of Sir Wilfrid Laurier an interprovincial conference was called for the purpose of considering these very matters, and Sir Wilfrid carried through this house a petition which declared that it was a final and irrevocable settlement made between the provinces and the dominion. The petition went to England, and there those words were struck out through the efforts made by Sir Richard McBride on behalf of British Columbia.

Now there is no responsibility attaching to any government other than Liberal ones in respect to these matters. They made these settlements; they created the western provinces; they deprived them of resources; they gave them money instead of resources; then they gave them resources and money. I am not complaining that the western provinces got this money, but I point out that the methods employed created a situation that brought about the stresses and strains to which the speech from the throne refers.

But there is something more. Let us see what the Minister of Agriculture (Mr. Gardiner) says—and I always commend him at least for this, whatever else I do not commend him for, that when he was confronted with this situation he at once realized that it was creating those stresses and strains. These words of his I have not forgotten; I wish every hon. member would keep them in mind.

Mr. GARDINER: Fourteen years old.

Mr. BENNETT: Yes, and they represented then the sound judgment of one who had not become so much the politician he now is. These are his words, speaking to an audience of United Farmers of Manitoba:

> The most harmful slogan ever introduced into the consideration of western public matters was the cry, "Down with eastern vested interests," which has developed into an attempt to organize the east against the west and the west against the east. Members of the party to which I belong, in the past were responsible for the introduction of that cry, and I pledged myself as a leader of that party to put forth every effort to remove from the appeals of the organization to which I belong, any such unworthy sentiment.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: It must be gratifying to the minister to hear the applause with which those about him receive this reference to his past. In any event I congratulate him upon that statement. Unfortunately I have heard those appeals from so many platforms in western Canada, made by all types and kinds and under all conditions.

Perhaps the Minister of Finance (Mr. Dunning) would like a little past history. I have it here beside me. In Saskatchewan he too dreamed dreams and saw visions of the east eating up the west. I do not know whether it was the seven lean years or the seven fat years spoken of in Revelations coming up and devouring them, but at any rate the east was gobbling up the west, and the hard working, toiling west was but the victim of the avarice of the east.

Well, the Minister of Agriculture in those days set his foot and his voice against that sort of thing. That was commendable, but the evil to which he directed attention was not stopped just because he thus spoke. It may have been stopped by his immediate followers; I know not, but I know that in the province in which I live that was not so. Those of us who are familiar with the great Progressive campaign of 1921 will remember that a minister whom I do not now see in his place headed that great cause, and certainly at that time in his view the east was very avaricious indeed.

That is another cause, Mr. Speaker, of the stress and strain and the arousing of these animosities. Think what the cumulative effect of it all must be. Here we have great leaders of public thought, the great leaders of the Liberal party; we have a minister of the crown in a Liberal government of to-day, and we have all these matters being proceeded with.

Then, sir, we have something else. We have invidious distinctions being made in the treatment of the western provinces. That is another cause. We disallowed the statute in the province of Alberta, and properly so, that prohibited the right of access to the courts. We disallowed a statute of that province with respect to banking, but did we disallow the statute in Ontario that provided that recourse to the courts could not be had? We did not.

There are other matters to which reference will have to be made presently that have brought about these stresses and strains. One cannot treat provinces differently with respect to the same matters without involving oneself in difficulties, and if these people complain of discrimination, as they do, there exists one more cause for stress and strain. Take them all together. I of course cannot speak with any degree of authority as to what may be in mind, for instance, in the province of Ontario, but perhaps the Minister of National

Defence and the Minister of Agriculture, who took such prominent parts in the recent by-election there, may be able to give us some information on that point before we rise.

Mr. STREIGHT: They made a good job of it.

Mr. BENNETT: The hon. gentleman says they seem to have made a good job of it, but just what the job was yet remains to be known.

Now, sir, I do submit to the house and the country that it is easy to see the cause of the present disunion and disharmony, which have never been so great in the history of this country, even in the days of 1887, when Mr. Fielding appealed to the electors of Nova Scotia for the breaking up of confederation; not even then, because after all the west was but little settled; two provinces did not exist at all and the others had not attained their present population. The Liberal party have dealt with these matters on a purely political basis. The editor in chief or president of the Winnipeg Free Press pointed out some years ago, in dealing with tariff matters, that the Liberal party had dealt with the tariff purely as a political matter, a vote catcher. That was the way he put it; how many votes would it get? In dealing with the problems of the west, with our natural resources, with the subsidies we were to get in 1905 and in subsequent years, they dealt with those matters on the basis of pure politics. If we had a right to our resources in 1926 and 1928, did we not have a right to them in 1905? These are acts of Liberal governments. These are the things that have brought about the stresses and strains which have resulted in the disunity now confronting us. It is known by all who get below the surface that that is so. Remember this, that those who in days gone by pleaded that the resources should be given to the provinces when they became provinces, were condemned, but they lived long enough to see the men who condemned them accept their proposals.

Then we proceed to the next point, the very point that the Rowell commission has been appointed to deal with, namely the distribution of legislative powers. In the speech from the throne we are told that with respect to one item, namely unemployment insurance, it is to be brought about by an amendment to the British North America Act, and the cooperation of the provinces has been sought. Who represent the provinces? Is it the government at the provincial capital? Do the members of the executive represent it, or the electors? How do they amend the constitution in South Africa? How do they amend the constitution in Australia? In neither case can it be amended unless an opportunity is afforded the people at least to express their will. Am I to take the voice of the premier of one of the provinces? Am I to take his view and amend the constitution of this country accordingly? Am I to take the view of five other premiers with him and amend the constitution accordingly? Am I to take the views of these premiers as representing the electors? Is that dictatorship or democracy? Which is it? What right have I to say that a premier of a province and his government represent the will of the people with respect to this matter? It has not been submitted to the electors; they have had no opportunity of dealing with it or of expressing their will with respect to it. Have I a right to deal with the question in that way? In this house there are members from these provinces. They represent the electors of the provinces with respect to federal matters, and their views must be quite as important as the views of those who constitute the governments of these provinces, unless indeed the will of the legislature is expressed, and even if the will of the legislature is expressed, what then?

I happened to be in Australia when they were dealing with the amendment of their constitution with respect to a vital matter. What happened? First of all, they settled what the question should be, and then by plebiscite they submitted it to the people of the whole commonwealth. It is provided that on the one hand there must be a majority of the people to support it and, on the other, there must be a majority of the states which are agreed to it. Applying this principle to Canada it would mean that we should have a plebiscite to amend our constitution, if we want to amend it, and that a given number of the provinces should have returned a majority in favour of the change. What right has any government to proceed upon the assumption that the premier of a province has said, "I agree to the change"? What about the people? What about the electors? What about the members of the assembly supporting that government? The premier of New Brunswick says, "I am going to consult the legislature." Well, that is going a step farther towards democracy—but it falls there. Why? It falls because the issue is not submitted to the people in terms.

When one considers the manner of amending the constitution of the United States it is not by a reference to the vote of the people, but by the voice of the House of Representatives elected every two years, the voice of

the Senate, and the voices of the members of the legislatures of the several states, whether their chambers be one or two.

It is well known, of course, that the case with respect to unemployment insurance was not presented to the courts. No one knows that better than the Minister of Labour. It was not, for the simple and obvious reason that admissions, which constituted the basis of the judgment of the court, were made.

I quite agree it is desirable that there should be a national unemployment insurance act. We enacted such a measure, but it fell by the wayside because it was referred to the courts when it should not have been. In a moment or two I propose to make further observations on that point, in connection with another matter. It was referred to the courts, and without the concrete facts being placed before the courts admissions were made which, as I say, constituted the basis of the judgment which declared the legislation bad.

How are we now to proceed? How are we to petition his majesty? On what basis shall we do it? Who is going to give us the authority? We do not require any; can we go ahead on our own. If he so desires, the Prime Minister may introduce a petition. If it passes this house and the Senate, it may go to London and become law. He says he is seeking the support of the provinces to that end, and the reference in the speech from the throne concludes with these words:

> My ministers hope the proposal may meet with early approval, in order that unemployment insurance legislation may be enacted during the present session of parliament.

We all share that pious hope, but how is it to be done? One premier has said, "I want to see a copy of the bill, first." We know a bill cannot be introduced, because it has been declared to be ultra vires of this parliament, and therefore no bill which he could see can be introduced. That avenue of escape seems to be cut off.

I direct attention to the matter because it seems to me that we must arrive at some fundamental understanding as to how amendments to our constitution can be made. Until this moment I have not had an opportunity to congratulate the right hon. the Minister of Justice (Mr. Lapointe) upon his being made a member of His Majesty's Privy Council. That he deserved it goes beyond question, and that he honours the position he occupies is well known. I do wish him many long years of happiness in which to enjoy his new honour and the new title which goes with it. Strenuously opposed as he is to titles, I shall still insist upon addressing him as the right hon. gentleman. I do suggest to him that here is an opportunity for sound statesmanship. This constitution of ours cannot continue in its present form; we all know that. We must agree on that point. How are we going to amend it? That is the question we must ask ourselves. Let us get away from the political side of it.

I was greatly interested in reading the story of the constitution of South Africa. Very able men, among whom were General Botha, General Smuts, Mr. Schreiner, and Mr. Merriman had to do with it. They were very careful to go back to their states with the proposals in order that they might be sure that when the constitution was agreed upon it should represent the views of all the people. What are we going to do? Someone has suggested that there must be a majority of the provinces in agreement. Does that mean a majority of the premiers? Would that be a sound principle to follow? On the other hand, if we follow the principle which has been followed in most British dominions there will be an opportunity for the people to express their views with respect to it. How is that to be brought about?

I suggest the right hon. the Minister of Justice might spend some time in devising a method. I know of nothing which would meet with more ready response than a workable plan of dealing with this difficult constitutional question.

What is more, I do not understand how he can hope to give effect to the provisions in the speech from the throne and at the same time attach any importance to the findings of the Rowell commission, because this is sui generis with many matters which have to be dealt with similarly, in view of the judgments of the courts. That being so, how are we going to pick out one, and leave the others alone? Should we not have a comprehensive plan which would be ample to deal with the whole situation?

I come to a point which to me is a very painful feature of the speech from the throne. It deals with two matters, one with reference to the elections and franchise acts, and the other the export of power. I am going to connect the two somewhat closely. I do so with some hesitancy, but I feel I owe a duty to this country and that I must discharge it. In the first place, this country is suffering from electoral corruption.

During the summer I travelled from the Atlantic to the Pacific on more than one occasion. I have discussed the trend of events with many people, people who were not partisans but were calm observers. Never in the history of this country has corruption been so

rampant electorally as it is to-day. It is not a case of $5,000 or $10,000 in a constituency, but it is a case of large sums of money for corrupt purposes.

I recall the sermon of one minister of the gospel who dealt with the matter in one of the provinces. I recall his observation that after a certain event there were a great many five dollar bills available, and that by reason of that condition there was a prosperous time in the community in question. People gave the names and the days and the dates and seemed to be rather proud of the fact that they got it. What are we going to do to deal with that situation? The election act has to do with it in many ways.

Contributions to political parties are not in any sense censorable. I know of men who make contributions to political parties the same as they do to their churches. But a levy is an entirely different matter. When an organizer goes to a contractor and says that he wants one or ten per cent, that is a levy and not a contribution. What is more, I say that it threatens the very life of this state at this moment.

I am going to remind the Prime Minister that there are two matters which he must not forget. First of all, there is the question of the export of power. The statute confers upon the governor general in council the power to grant or refuse a licence for the export of power or natural gas. Parliament has placed that duty upon the governor general in council. Parliament has decided that that duty should be discharged by that authority. Not long since the Prime Minister said that he did not desire in any sense to be dictatorial about these matters, and the net result was that this matter is referred to parliament.

Let us see what this reference amounts to. I read these words:

> Legislation will be introduced with a view to furthering the principle of parliamentary control of the export of electrical power.

Parliamentary control means the voice of the commons, the senate and the crown combined together. This means a statute that either repeals or amends or in some way modifies the existing statute. As I say, parliamentary control means control by parliament, which is the crown and the senate and the commons. If legislation of that character is to be introduced it must be recalled that this house has already given unanimous approval to a bill of that kind.

The power sought to be exported is power which would be derived from the Beauharnois undertaking. That is number one. If parliament is to pass upon this matter it must be a free parliament. As I say, parliamentary control means the commons and the senate and the crown, but we have something further than that. We know that in the exercise of its power parliament has seen fit to declare that the Beauharnois undertaking is a work for the general advantage of Canada. This parliament has jurisdiction and the power to deal with the whole situation.

There is a history connected with Beauharnois that is not to be forgotten. Evidence has been given under oath that shares in this enterprise are in the hands of members of the senate and that at least one of them received $200,000 for the Liberal campaign fund from the promoters of the enterprise and made a profit of $529,000 out of an investment of $30,000. That is written on the record. The shares acquired were 800 units of the Beauharnois syndicate at a price of $30,000. These became 1,600 units in the second syndicate and as was his right, the senator subscribed for 1,600 further units in the name of J. R. Lefebvre and that made his holdings 3,200 units. On the whole transaction he realized, as of December 17, 1929, $529,600 profit and 14,040 shares of class A stock of the Beauharnois Power Corporation Limited.

Then it goes one step further. Mr. Sweezey returned to give further evidence that Senator Raymond had received from him some $200,000 for the campaign fund of the Liberal party. I put this to the house. There is a situation where the treasurer of the Liberal party—Senator Raymond has been appointed treasurer of the Liberal party—and the head of the organization, Senator Lambert, met the cabinet only a few weeks ago, and we now have this obligation that must be dealt with by parliamentary control, meaning the senate the commons and the crown.

In view of what I know of the character of the methods by which contributions are made—they are no longer contributions but levies—I say the time has come when we must provide methods under our electoral law which will not permit such a situation to continue. I am not hypocrite enough to say to the members of this house and the people of this country that I do not know that contributions are made to all parties. A contribution is one thing, but a levy of a certain per cent is another. The time has come when this must stop. The contractors themselves are complaining.

Mr. HOWE: As one who places a great many contracts for this government I ask the right hon. gentleman to give me a specific instance of a levy.

Mr. BENNETT: I can give the minister as many as he wants, but I am not going to do it here and now. What is more, I know of levies being made in connection with Canadian National Railways contracts.

Mr. BRADETTE: That was under Mr. Manion.

Mr. BENNETT: No, it was not; it was in the last few months. Let us have no misunderstanding about that.

Mr. HOWE: The right hon. gentleman has said either too much or too little. This matter must be threshed out.

Mr. BENNETT: It can be threshed out any time you want any committee of this house that you desire to appoint to go into the matter.

Mr. BRADETTE: Right now.

Mr. BENNETT: Do not make any mistake about that. I say the time has come when this thing must stop. Look at the vast sums of money thrown into by-elections. For instance, out in Victoria a parson who had some influence with the younger people was hired by the Liberal party to make broadcasts. As far as I can find out, the Liberal candidate never heard of him.

Mr. HANSON: As my home is in British Columbia, I hope the right hon. gentleman will tell the truth as I always respect his opinions.

Mr. BENNETT: My hon. friend will respect them now more than he ever has.

Mr. HANSON: I hope so if the right hon. gentleman follows the truth.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

NEW MEMBER INTRODUCED

Joseph Arsène Bonnier, Esquire, member for the electoral district of St. Henry, introduced by Right Hon. W. L. Mackenzie King and Hon. Fernand Rinfret.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. BENNETT: When the house rose at six o'clock I was directing attention to those paragraphs in the speech from the throne that deal with the amendment of the elections and franchise acts and the introduction of legislation to further the principle of parliamentary control of the export of electrical power, and I pointed out that the treasurer of the Liberal party is a member of the senate, Senator Raymond, whose connection with the Beauharnois transaction I had mentioned, without going into detail. I observed that the new senator, recently appointed, is to remain as head of the Liberal federation, according to a statement made to the press by the Prime Minister, and I pointed out that that combination of circumstances, having regard to what had transpired in this country, was such as to make it open to very grave censure on the part of those who are concerned about the supremacy and maintenance of our democratic institutions; that the real danger to democracy was not from communism and influences of that kind, but from forces from within, from electoral corruption and forces of a similar nature. I do not propose to do more than to lodge this vigorous protest and once more to assert that mere contribution to political parties and their fortunes is one thing, and a levy is another. I desire to make that point as strong as possible in order that there may be no misapprehension of the point I desire to leave for the consideration of this chamber.

From that there necessarily rises some consideration of the paragraph in the speech which deals with our external relations. I had occasion to point out some few months ago that our minister to Japan made a statement to the public press in which he indicated that the war now being waged by Japan against China was not one in which Japan was concerned except for the purpose, as was said, of bringing decent government to China. In the Daily Star, Toronto, of August 12, 1937, the Hon. R. R. Bruce, our Canadian minister, was made to say:

> Japan's invasion of China is seen as "simply an attempt to put her neighbour country into decent shape, as she has already done for Manchuria. Conditions in China are very bad. They lack constitutional government and their rulers are just self-appointed war lords. Japan's improvement of Manchuria is causing many Chinese from other parts to flock there for protection under some form of constituted government."

The interview then proceeds with other matters. I understand that on a succeeding day the minister stated that that was not an accurate report of what he had said. We are bound to accept that statemer' but we do

know, from what he said on many occasions while he was in Canada, that that is substantially the view which he entertains. I protest against our minister taking sides against China in this conflict, bearing in mind, as we must, that China was attacked without any declaration of war, that unfortified cities and towns have been bombed, and that innocent women and children are being killed by the thousands. It is also to be remembered that Japan was a signatory to the pact of Paris, the Kellogg-Briand pact, which we discussed in the house on one occasion. At that time the then prime minister, who is again the Prime Minister, intimated that that pact should be set up in every schoolhouse of the country. It has been summarized in a single sentence, "The signatories renounce war as an instrument of national policy." Broadly put, that is what they did; they renounced war as an instrument of national policy. Notwithstanding that, China was attacked without a declaration of war. That was the finding of the League of Nations, of which Senator Dandurand is a distinguished member, representing this country on that occasion, as well as when Manchuria was attacked and the Lytton commission reported as it did. Bearing in mind these facts I deprecate greatly that this country is represented by one who has declared himself to be thus strongly aligned with the forces of Japan against China. The matter is far too serious to be discussed in an acrimonious sense, but I think the Prime Minister will agree that we should not have it appear that we are not neutral but are instead lending the support and weight of our influence to Japan in this war against China. I think this circumstance is to be deprecated very greatly and it is open to no other construction in view of the known attitude of our minister, who returned some time after the Toronto statement and is now, I believe, in Tokyo. It will be within the memory of this house how great was the importance we attached to the Kellogg-Briand pact, and that all of us agreed with the statement made by the then Prime Minister and with the position he took with respect to the matter.

We might bear in mind that in Great Britain the Archbishop of Canterbury presided over a great gathering in London at which vigorous protest was made against the treatment received by women and children in China, and that other nations have seen fit to express themselves in terms of detestation of the manner in which this conflict has been carried on. I believe we should not permit it to be said that the thought of trade has dulled our sense of honour. That is a statement which is made in some quarters, that we are lacking in appreciation of the magnitude of the questions involved and are permitting ourselves, for the sake of the material that is being sold, to take no notice of what is transpiring in the far east. We have a very great interest in that matter, and if it were not that I think it might be misconstrued I would use very much stronger language than I have done as to the conduct of Japan with respect to women and children in China. Those states which are still members of the league and took part in the debate decided that Japan had no defence to make for her unprovoked attack upon China. Under these circumstances I think we should at least indicate in some way to the world that, though we are not actively participating in any diplomatic or other action which has been taken, we are not for that reason supporting the position of Japan against China.

I desire also to discuss the position of some of our own missionaries who have found themselves in a precarious position, located as they are in some parts of China. I know that appeals have been made to governmental agencies for their protection. I am not inclined to discuss the matter in any censorious spirit because I recognize the magnitude of the difficulties that have to be faced. On the other hand, if we are to maintain neutrality we should at least do it in such a way as not to leave an impression on the minds of Chinese and others that we are favouring the cause of Japan merely for trade purposes.

It cannot be forgotten by those who are familiar with our history that the migration from Japan into this country of Japanese subjects is governed by what is called a gentleman's agreement. Now, sir, I ask you what importance can attach to a gentleman's agreement when there is a violation of what is admittedly a national treaty—at any rate so far as we are concerned—according to the finding of the League of Nations, and other bodies as well, that there has been a repudiation of the terms of that treaty, an utter disregard of the responsibilities under it, and that war without declaration has been resorted to. I think that the sooner this so-called gentleman's agreement is terminated the better it will be for this country, so that we may not find ourselves in a most difficult position in consequence of reliance upon it.

But there is another side of the matter to which I direct attention. During recent months much has been said regarding the knowledge possessed by Japan of the condition of our Pacific coast and of other matters that have to do with this dominion. I was astounded the other day—and I am sure

the Prime Minister must have taken cognizance of the matter—to find the following statement published by the Canadian press:

B.C. System of Defence Forms Big Triangle of Fortifications.

Anti-aircraft Guns to Be Placed at Albert Head and on Island Highway.

According to unofficial sources these undertakings may include:

1. Naval guns on the south coast near Victoria.

2. Anti-aircraft guns, magazines and other buildings at Albert Head, a few miles from the Esquimalt naval base.

3. Anti-aircraft emplacements about six miles from Victoria on the Island Highway, on the breakwater outside Victoria harbour, and at Trial Island on the Vancouver Island coast.

Then follows a description of the size of the guns. The closing paragraph reads:

Two six-inch naval guns will be set up at Ferguson Point, commanding the narrow entrance to Burrard Inlet (Vancouver harbour). Unofficial sources say similar emplacements will be established also on Point Grey headland, commanding the entrance to English Bay, which skirts urban Vancouver.

It is perfectly clear that this statement came from the department in some way.

Mr. MACKENZIE (Vancouver): Not from headquarters, I can assure the right hon. gentleman.

Mr. BENNETT: I said, from the department in some way.

Mr. MACKENZIE (Vancouver): As a matter of fact the statement is not accurate.

Mr. BENNETT: But I know that, unfortunately, part of it is accurate. Here is publication to the world of the defences that are being made by Canada on the Pacific coast, and I am certain, from what I know, that this will be cabled at least to Japan. I do say that in the interests of this country and as a matter of fair play with the permanent force, the members of which are vitally concerned—because it is a reflection upon themselves—an investigation should be held and responsibility brought home to the man who gave out that information. I am perfectly certain that if the Prime Minister were over here and I were in his position he would demand that an investigation should be had, because in the eyes of soldiers in this country this is one of the worst possible offences. I have heard men express the u'most wonder and amazement that it could happen; for the Canadian Press is a responsible organization. There would be no difficulty, if a proper investigation were held, in having it disclosed from what source that information came, and the man who gave it should no longer receive a cent of public money. I believe the Prime Minister would agree with me—and I am saying this not acrimoniously, but only as a citizen of the country with, I believe, the same interest that everyone else has in the maintenance of those defensive works on the Pacific coast. I merely direct attention to the matter in the hope that the government will announce that they have taken steps to have it thoroughly investigated by a properly constituted tribunal so that the person who gave out the information may be punished, at least to the extent of not being retained in the public service of Canada. I do not think that is too strong a statement, having regard to the seriousness of what is involved.

I am quite aware that the article is so worded as to leave it open to several constructions at some points, and that doubtless some part of it is inaccurate. But it was the subject of editorial comment in the coast papers and has been much discussed throughout the country. Under these circumstances, and having the imprimatur, at least, of the Canadian Press as authority for the statements that have been made—because we know how careful they are not to give, shall I say, publicity to a statement that has not behind it some authority from some source—this news item, I suggest, should be the subject of an investigation, and I think the minister would be well advised to see that a court of inquiry is set up without delay in order that the matter may be dealt with.

This enables me to make an observation with respect to a matter that was brought up this afternoon by the hon. member for Renfrew North (Mr. Warren). He suggests that wars result from restrictions of trade. The exact opposite is the case. The most eminent economists are of the opinion that free trade is always responsible for that class of warfare.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Yes; and if hon. members will think for a moment they will see the reason why. With free, unhampered competition the struggle for markets becomes notorious and open, with resultant difficulties. It can be said of every war of recent years that it was not engaged in by countries that followed protection as a policy. Take the great Russo-Turkish war in which England and France participated. That was in the days of free trade in England. The Boer war was a domestic war to which we need not refer in this connection. The Franco-Prussian war could not be said to have been a war arising out of tariffs, nor could that be said of the Danish war or the Austrian war. I

know that at least one eminent authority is of the opinion that it is because of freedom of competition, because of cutthroat competition—and these words "cutthroat competition" came into use in consequence of that very practice, the reckless, ruthless cutting to the very quick—that wars have been provoked. They have not resulted from the development of national tendencies in the sense of preventing markets being taken by others, because no question of competition then arises. If you have a protective system by which the commodities of other countries do not find free access to your market, then the likelihood of competition between countries that can come into your market without restriction is far less than it otherwise would be. I do not think there can be any doubt about that.

I do not intend to deal at length with the questions which arise in connection with the trade treaties that are proposed to be made between Great Britain and the United States, or the revision of the treaty between Canada and the United States. Canada has no right in any sense to be concerned about any treaty that Great Britain desires to make with the United States of America; that is the business of the United States and Great Britain. They are quite capable of transacting their own business without assistance from us. But when it comes to the question of a treaty between Canada and the United States then we have a different set of considerations. I ventured to point out a year ago that the agreement which we made with the United States was a lopsided one. Events apparently have justified my view, for now we are to revise the agreement. In order that there may be upon the record a fairly clear statement of the situation I am going to refer to the conditions under which that trade agreement was negotiated. The periods of time that have to elapse between notice being given and negotiations commencing have been quite clearly stated, and it must be clear to everyone that the agreement now in existence was not negotiated by the present administration. The additional thirty days, the two weeks, the period of time within which oral hearings might take place, all these periods elapsed before this government came into office. The negotiations had been completed; the question was whether or not this country was prepared to accept the proposals.

Now let us look for a moment into that, because it becomes of the utmost importance. Remember this, Mr. Speaker, that the proposals made by the Dominion of Canada were contained in a letter which was dispatched to the Department of State by the minister from this country. First we asked for a mutual undertaking to maintain during the lifetime of the agreement the unrestricted free entry of commodities now on the free list of either country. That related to newsprint and matters of that kind. That was agreed to or conceded. That will not be changed, for reasons I am presently to give. Then followed:

(b) The mutual concession of tariff treatment as favourable as that accorded to any other foreign country; this means that Canada would extend to the United States its intermediate tariff involving reductions from the present rates of duty on some seven hundred items, including both natural and manufactured products, together with a number of further reductions below the intermediate tariff rates through the extension to the United States of concessions made by Canada in trade conventions with foreign countries.

That means the most favoured nation treatment accorded to Canada by the United States and to the United States by Canada. We offered that free and unrestricted benefit. Then we proposed:

(c) The reduction by fifty per cent of the existing United States rates of duty, as authorized by the Tariff Act of 1934, on a specified number of natural products, including inter alia lumber, fish, potatoes, milk and cream, and live cattle; a number of other agricultural products, and several minerals both metallic and non-metallic.

(d) The reduction of the existing rates of duty by the United States on a number of partly or wholly manufactured products of Canada, including some processed natural products and certain products in which hydro-electric power comprises an important element in the cost of production.

(e) The reduction of the existing rates of duty by Canada on a number of natural and partly or wholly manufactured products of the United States.

That letter, as will be remembered, was dated November 14, 1934, and in pursuance of the provisions of United States law to which I shall refer, the negotiations were carried forward. The time began to run, the thirty days, the two weeks, and other fixed periods, until finally we reached a point where, the tariff board having made its report, we were ready to complete the undertaking if we thought it desirable. Having offered these benefits without restriction, our contention was that anything in the way of quotas accorded to Canada was wholly unsatisfactory.

We told them frankly that, having given them the benefits we did, we did not think it fair to suggest that it was an even deal if we, with a population of 11,000,000 people, had to take quota benefits. In other words, we were according the intermediate tariff and the most favoured nation treatment to 125,000,000 people, and those 125,000,000 people suggested

that they were not prepared to give us the same concession, but would only give a concession that was limited by quotas with respect to many items which are of vital concern to Canada—the cattle quota, the cream quota, fish and potatoes, shingles, lumber and other commodities. We were not prepared to agree to those terms. And there the matter ended. The government went out of office, and the present administration coming in executed an agreement, in which there is one item which had not been finally settled at the time the old government went out of office.

Now let us examine for a moment just where we are with respect to this trade agreement. In the first place, the tariff that now prevails in the United States is a Republican tariff, a tariff imposed in the days of President Hoover. It is the highest tariff in the history of the United States. When the president suggested that he proposed to deal with trade agreements, the personnel and temper of congress was such that it became apparent at once that the senate would not give the requisite two-thirds vote to approve any such treaty. So legislation was enacted that conferred upon the president the power to make, not treaties, but trade agreements. These trade agreements were to be subject to certain definite limitations, limitations of such a character that I think it desirable that we should understand what they are.

First, no item upon the free list could be changed into a dutiable item and no item upon the dutiable list could be changed into a free item. In other words, no free items could be granted by the President of the United States in trade agreements that were not free at the time the agreement was made. Second, the maximum reduction in tariff that the president was authorized to make was fifty per cent of the existing tariff rates. And those tariff rates were, as I have pointed out, the rates of the Republican party. The tariff with that fifty per cent reduction, which is the maximum reduction possible, in many cases is far higher than the rates under the Underwood tariff. It will be recalled that the last Democratic tariff in the United States was the Underwood tariff, and under it we had free entry into the markets of the United States for a large number of our commodities.

But the United States did not stop there. In their law conferring this power upon the president they declared further that before any bargain was made of any kind it was essential that there should be afforded an opportunity to all those who might be concerned to express their views as to the effect that such action would have upon their national life. Now the effect of that is to afford to citizens of the United States opportunity to appear before the tariff board to deal with every proposal. Not only will the business men of the United States have opportunity to file briefs during a period of thirty days, but during the first two weeks after that they will have opportunity to make oral argument as well before that tribunal. No such power resides in this country. In other words they have that advantage over us.

The items that have been noted in the press with respect to this trade agreement are items that are covered for the most part by the existing agreement. First of all dutiable items cannot be made free, and sir, we have given all we have to give unless we are prepared to make specific reductions of tariffs which will extend to twenty other nations, including Japan, under the favoured nation clauses. That is the position. There is nothing more we can give the United States. Without restriction and without limitation we have given them everything we have to give except one thing, that is, reductions in specific items under our tariffs. For that we have obtained only the opportunity, not to get free entry of any item now subject to customs tax but to get reductions up to fifty per cent of United States tariffs as they stood before any such agreements were made.

But, Mr. Speaker, we want more. We want other things; as the discussions already indicate, we want many things. How are we to get them? There is nothing more we can give the United States except specific reductions of tariff items, but we are told that what we are to do is to sell our British preference for these benefits. That is the story. Without going into it in detail, the sole, simple question is: What price? And the price means the concessions we are prepared to make from the British preference in order that we may get something for which we have given already everything we have to give on our own account.

In addition, of course, our ports are affected. That matter was discussed last year and I am not going into that question to-day, but I do point out that we are asked now to say what we are prepared to pay by abandoning the preferred position we have in the British and empire markets, in order to get concessions from the United States, having given them everything they demanded in the first instance, and having been willing to take half a loaf instead of standing firm. We accepted quotas from people to whom we gave unlimited entry in return on everything.

I need not discuss these matters at length, because it will be time enough to do so when

the agreements come up for consideration, but certainly the broad principle is there and all the casuistry in the world cannot get away from it. Our ports are affected. We have lost the advantage of direct shipment. That will be gone.

Mr. HANSON: How do we know?

Mr. BENNETT: Because we have done it already under the old agreement.

Mr. HANSON: I do not think the government we have to-day is going to give anything more than it has to.

Mr. BENNETT: This government gave up the ten per cent reduction which was conditioned upon the importations being through our ports. That is provided for in the existing agreement. I do not desire to take up the time to go into the matter, but if the hon. gentleman will read the agreement he will find it written there in letters not of gold but, I should say, of silver. That is the situation, Mr. Speaker. You cannot change it by argument or discussion or casuistry; it is there in those terms. We gave all. We got what we received with restrictions. We are now told that it is desirable in the interests of world peace and for other reasons that we should surrender part of the preference which we enjoy in the markets of Great Britain and the other parts of the empire. It is a matter for the government to decide as to what price it is prepared to pay and receive for making these concessions.

Then there is the suggestion in the closing paragraph of the operative part of the speech:

> The government is convinced that, in seeking to cooperate with the United Kingdom and other countries in efforts to promote international trade . . .

And so forth. That makes it desirable for me to make this observation, which is a summary of the statement by the Federation of British Industries. What difference is there between a volume of trade, amounting in the aggregate to a given sum, between Great Britain and Canada and between Great Britain, Canada, and the United States? If the volume of trade between Canada and Great Britain is *X*, when the United States takes some of the commodities that we have to sell and sells its commodities instead, Canadian trade becomes X minus, and the minus represents the plus of the United States. What is the addition to international trade? Have you increased it? This is what you have done: You have taken away from Canada that part of the trade which has gone to the United States, unless indeed you increased the volume of trade between Great Britain and the United States and did not lessen the trade between Canada and the United States, which enables me to say this: There is but one stable market for agricultural products left in the world. That is the market of the United Kingdom, and that market has practically reached its maximum. Why? Because the population is no longer actively increasing. Statisticians tell us the population of the United Kingdom will reach its peak within a short time. In the second place they are promoting, by every means within their power, the development of their domestic production of chickens, butter, milk, wheat—on which they are paying a bonus—eggs, pigs and all such commodities. To the extent to which the United Kingdom can supply their own wants they are doing so. Under these circumstances how can we afford to take a part of the trade we now enjoy, in pigs and wheat and various other agricultural products such as apples and lumber, and hand it over to our great competitors to the south, thus enabling them to get that portion of the trade which we lose as a result of our own action?

That is the position. I submit that it cannot possibly be changed unless indeed we are prepared to say that, having free access to those markets until 1940, we propose to stand by our position. Under the terms of article III of the agreement we have a fixed preference in regard to the very matters in which we are deeply concerned, such as wheat, butter, cheese, apples, pears, canned apples, eggs, condensed milk, milk powder, honey, unwrought copper, timber of all kinds, fish, salmon, asbestos, zinc, lead and patent leather. On all these we have a fixed margin of preference under the law as it now stands, and that condition will remain until 1940, unless we are prepared to surrender these advantages. Shall we abandon this fixed margin of preference on agricultural products, which are so vital to our life? The margin with respect to hogs, bacon and matters of that kind is provided for by a special clause. Shall we abandon these for the purpose of now getting from the United States what we should have got when we gave them all that we had to give?

I do not propose to traverse at greater length the general details of the speech from the throne, but I do desire to make a few general observations with respect to the situation in Canada at the present time. It is admitted by everyone who gives thought to the matter that these are days of great difficulty. In fact, in the speech from the throne it is indicated that such is the case.

We must now consider our own position, in the light of that situation. However, before going into that matter in detail may I turn to one which I believe I have overlooked. I trust, Mr. Speaker, that I may be forgiven for returning to it. Recently a by-election was held in the constituency of St. Henry.

The hon. member who succeeded in that contest was introduced this evening. In furtherance of what I said to-day may I point out that speaking in that campaign the Secretary of State (Mr. Rinfret) stated that Montreal needed a Canadian National station. He asserted that the hole in Dorchester street would be closed up. On the following evening the Minister of Public Works (Mr. Cardin) said, "If you do not get your station Mr. Houde will be responsible."

Let us look at the other side of it—and I ask the Prime Minister to think of this matter carefully. The construction of the station would involve an expenditure of several millions of dollars. That is a matter for the government to consider. It is for them to determine whether or not the finances of the country are such that the taxpayers can afford to assume this added responsibility. That is not a matter with which I shall deal at this time. However I am dealing with the fact that the promise was made by the Secretary of State and, on the following evening, was supported by the Minister of Public Works. Can we afford to have promises of that kind made in a by-election, or any other election? What is more, the Secretary of State was very careful to say that he did not make that promise on his own. He was too careful a man to do that! He is reported to have said that if they wanted the hole filled up their duty would be a very simple one. He hoped that they would discharge that duty in the proper manner—and, apparently, from what we have seen to-night, that was done.

Let us go a step farther. Coupled with this was the question of unemployment relief. In the Montreal Gazette of January 15, 1938, we find a report of a meeting held in the city of Montreal on the previous evening. In that report I find this:

> So long as there are unemployed there will be direct relief for men, their wives and children.

So said the Secretary of State.

> We will do our part, and if the municipal powers, and provincial powers should become fatigued, be tranquil. While there is a single unemployed, the federal government will see to their sustenance. It is not an independent who will do that. It is not a man isolated from all parties who can do anything. He may make eloquent speeches, even enact farces, but I am authorized to repeat to you that as long as there are unemployed in Montreal, even if we are alone, the federal government engages itself on honour to give sustenance to him, his wife, and children.

That is the position.

The same may be said with respect to the building of a subway under the Lachine canal. Here we have three things: We have the Canadian National station; we have the subway under the Lachine canal and we have the promise that if the province fails or if the municipalities fail, the federal government will see to it that sustenance is given to the men, their wives and families. That, he says, he is giving, not on his own. He has said, "I give that to you," and makes the statement that "the federal government engages itself on honour to give sustenance to the unemployed, his wife and children."

May I say to the hon. member for Winnipeg North Centre (Mr. Woodsworth), an hon. member who comes from a city which is finding it very difficult to deal with the situation, that his troubles are solved. Everything is over now. He need not worry any more. The province of Manitoba has said it cannot carry the burden, and the city of Winnipeg says it cannot do it. But here is the promise of the government of Canada to do it, with respect to Montreal, and it cannot avoid the same responsibility with respect to Winnipeg or Calgary or Vancouver.

I am asking whether the government of Canada is prepared to say that it will carry out such an undertaking with respect to Montreal, and not carry it out with respect to Vancouver or Winnipeg or Calgary or Toronto or any of the other great cities in Canada? We now have no occasion for any further worries. They are past. We have that unity and determination which will ensure that there will be no further difficulty with respect to the poor and the unemployed, their wives or their children, in any of the cities of Canada. When I read that I rejoiced, because I knew that although the province of Alberta cannot help Calgary any further and although the citizens cannot provide any further moneys, the great Dominion of Canada, through its Secretary of State, speaking on behalf of the government, has bound itself in honour to provide for unemployed men, their wives and children. I rejoiced that the city of Calgary was now safe for the rest of the hard winter.

That would be true, also, with respect to Winnipeg. Winnipeg need worry no longer. They need not be concerned when Mr. Bracken, premier of Manitoba, says to them, "We cannot give you any further assistance." Under great difficulty, as is known, they did give assistance to Winnipeg for the month of January. That month ends to-day. Now some one else will provide. Now we have intervention by the Secretary of State when, in a by-election, he says, "The federal government engages itself on honour to give sustenance" to the unemployed, their wives and children. He points out that those people will receive sustenance from the federal authority.

Of course that means the expenditure of considerable money—but that is not a matter

of moment in a by-election of such importance as that which took place in St. Henry. Because the government is bound, doubtless the Minister of Finance will foot the bill. That surplus to which the hon. member for Renfrew North (Mr. Warren) referred this afternoon will have vanished into thin air, like the dew before the morning sun.

It may be somewhat amusing that this should be so—but there is the record. The amazing thing is that upon that record apparently the people were greatly impressed, for we find that in that particular section of the constituency they gave the very large majority of about 5,000 to the hon. gentleman who took his seat this evening. So it would seem that the labours of the Secretary of State were not in vain, nor were those of the Minister of Public Works.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: Those hon. members from western Canada who are saying, "Hear, hear" must say so with great joy, because they know their trouble is now ended. When I hear the hon. member for St. Boniface (Mr. Howden), I realize how he must feel about it.

But from another angle the matter has a somewhat different aspect, and I feel quite certain that when that aspect has been traversed and appropriations made the feeling will be different. The government cannot say that in Winnipeg the workmen, their wives and families will be neglected, but that in Montreal they will be cared for. The federal government cannot espouse such a doctrine as that. Clearly it is not a case of the old, worn five cent piece; that doctrine is no longer in vogue. It could not be said to be that, in any sense. It is however a declaration of high policy in which the government commits itself to care for men, women and children, or for all those who may find themselves in want in the great cities of Canada. That I am sure is a statement with respect to which every representative of a city in Canada, and especially representatives from western Canada, will rejoice and be exceeding glad. For my part, I thank the Secretary of State and the government for taking so noble an attitude. I am sure the Minister of National Defence will be highly regarded in Vancouver when he is able to tell his constituents that thanks to a by-election in St. Henry there will be no further difficulty or worry with respect to the wants of the workmen, their wives and children in that great city. That it involves a large sum of money is a matter for the Minister of Finance (Mr. Dunning) to settle.

[Mr. Bennett.]

I was about to point out that no one in this country can help being concerned over the conditions that exist. There never has been a time when we had greater disharmony and lack of unity among the provinces that comprise confederation. Admittedly the circumstances that surround us, leave much to be desired. We have large numbers of unemployed, although they are fewer than they were. In addition to that, we have large numbers on relief. The figures would indicate that they have increased by 80,000 during the last month or so. That is a substantial increase. The cause for a large number of these people being on relief is attributable to conditions other than the drought conditions which have obtained in the prairie country.

We have a situation in this country where we find the formation of organizations that contemplate a dictatorship such as fascism on the one hand, or communism, on the other. Hon. members may have observed in a Montreal daily the picture of a large number of men giving a salute in the approved Nazi form.

An hon. MEMBER: They were boy scouts.

Mr. BENNETT: Yes, boy scouts, but apparently this matter is taken much more seriously in the province of Quebec. From what has been said and done there it is quite clear that this thing is regarded as being of great importance. I directed the attention of the Postmaster General (Mr. Elliott) to-night, as well as a few days ago, to the fact that the mails of this country had been intercepted and papers taken therefrom. It is quite clear under the law that that should not happen. In the United States that was the cause of a long and protracted struggle in the state of Illinois. Is such a situation to continue in Canada?

We have the formation of these bodies and we hear talk of fascism and other forms of dictatorship. The other day I was reading a report by a gentleman who has written a great deal on public questions. He said:

> A world ended in 1918. Another is struggling "powerless to be born." It is between these worlds that we are to-day, with two great forces even now at grips as to which shall control the world of to-morrow. These forces are liberty or some form of "compulsion."

Being a country of only eleven million people, all we can do is to endeavour to improve our position in the light of our experience. We have abundant revenues brought about by heavy taxation. That is admitted. Whether or not relief can be given from that high taxation is a matter that the government must consider. We have

provinces claiming the rights of sovereign states. To quote the language of a commentator, the central government seems to have abdicated and permitted its power to go to the capitals of the various provinces. That is a condition which I think cannot possibly continue.

No man who is familiar with the history of the United States can fail to remember the great struggle that took place between the states and the central power. The suggestion that the states were sovereign powers was put forward by Calhoun and Hayne. The great debate in the senate between Webster and Hayne was to decide whether they should have a strong union or whether there should be a group of sovereign states gathered together in a loose form of government. That was the issue, so effectively dealt with in the reply of Webster. Hundreds of thousands of copies of his speeches were circulated in every part of the union, and the cry that had gone forward for the establishment of sovereign states ended.

For some strange reason there is a recrudescence of that very struggle in this country. There is a growing opinion that each province is a sovereign state and that unity in the sense of Canada as a whole is something that cannot be understood. It will be recalled that Clay always said that he was not of Kentucky or Virginia, that he was of the United States. He tried to make it clear that union was the essential thing. The United States ended that great struggle with a civil war, but there are none of us who contemplate such a possibility in Canada. But if we are to have a strong and vigorous Canada we cannot consider the possibility of there being nine sovereign states.

The only way we can secure that liberty which we hold so dear as against any form of compulsion is by maintaining with all our power the necessity of a strong central state. Canada is our country, not New Brunswick or Alberta or Saskatchewan. The nation is Canada, not the provinces that comprise it.

One of the reasons why we have these conditions at the present moment is the fact that in the minds of the people there exists the thought that all that could be done by the central power is not being done. That is the view they hold. When questions come up that should be decided by the executive, what do they do? Instead of deciding them, they refer them to the courts. The courts have no powers with respect to these matters. The Supreme Court of Canada is only advisory, and, what is more, it is not a court of original jurisdiction. The constitution gave us no power to create other than an appellate court in the Supreme Court of Canada. If under peace, order and good government we endeavour to set up a court, we cannot do so because section 92 contains the specific provision that the administration of justice and the establishment of courts belong to the provinces. That is the position.

When we refer to the courts the question of whether or not a given measure that was never a statute is or is not within the competence of a legislature, in my judgment we are taking a course that is injurious, if not inimical, to the preservation of the central power. Think of what we have done! The province of Alberta passed a statute or thought that it had done so. It got through the legislature, but when it came to the lieutenant-governor, he declined to assent. It then came down reserved to be dealt with by this government which had the power to say yes or no as the lieutenant-governor is a federal official. This was decided in the days of Governor Letellier.

Now what has happened? Instead of the government dealing with it, we have this anomaly, this precedent established—and think what it means—that a legislature which has to meet a few weeks from now will not know whether the action it took was taken properly or improperly. One can understand the idea of referring to a court a statute, because it represents the legislative effort of a legislature; but to refer something that is neither fish, flesh, fowl nor good red herring to a court for an advisory opinion is to beg the very question itself and to escape responsibility which justly belongs to the executive. There is no doubt with respect to that. Think where it leads. The question of referring these matters to courts is not one that should be lightly considered. Every question could be referred to the courts.

I find that away back in 1889 the late Sir John A. Macdonald was confronted with a similar situation, and the matter is dealt with in his correspondence. He was dealing with a question of tremendous import and of grievous difficulty. What had he to do? He found himself confronted with the Jesuits' Estates Act. There was an agitation asking him to disallow it. Did he listen to it? He asked for an opinion of the law officers in England, whether or not it was constitutional. His minister of justice, the late Sir John Thompson, was clearly of the opinion that it was constitutional. Then what happened? Lord Atholstan, who was borne to his last resting place to-day, conceived that it would be an easy way out of the difficulty if the matter were referred to the supreme court. He said, "There is the way out. All you have to do is to refer it to the supreme

court," and he presented a very powerful petition to that effect to the government of the day. Sir John Thompson considered the matter and wrote a letter to his prime minister in which he pointed out that in his opinion a government should not shirk its responsibility, but face it. Then it was that Sir John A. Macdonald wrote this letter to Sir John Thompson—bear in mind that this was only twenty-two years after confederation. The Supreme Court Act had been placed there at the instance of Mr. Edward Blake. This is in part the letter:

July 24, 1889.

I have made a note on the margin on the 10th page, merely for the purpose of calling your attention to the grave danger of the practice of summary application for advice to the Supreme court being resorted to. It would quickly grow, and a dominion ministry, careless or ignorant of constitutional principles, might on every question of public interest, for popularity or some sinister purpose, freely use the power of reference. A Mercier government would leave every question to the Supreme court, if it thought the courts below were adverse to its wishes. And it would be an inducement to pack the Supreme court with its partisans, imitating in that respect the government of the United States.

The courts below would gradually be ousted of their jurisdiction, and a new star chamber formed. I don't think this at all an imaginary danger. Lastly, I doubt the policy of alluding, as is done on the 16th page, to what is stated in some quarters, although not in the petition, but I don't feel at all sure that I am right in my doubts.

That is the letter of one who was regarded as a father of confederation. He pointed out, very properly I think, the bad practice which comes from shirking and evading and escaping responsibility by referring a matter to the supreme court, whose opinion, mark you, is advisory only; more, it is not that of a court as such but of the judges persona designata for the purpose of giving that opinion; that is all. Under those circumstances you have unrest, distrust, suspicion. I say to the Minister of Justice (Mr. Lapointe) that while I agree with him wholly in his disallowance of the statute denying rights to the courts in the province of Alberta, I almost ventured to be impudent enough to suggest to him that, having disallowed that statute, he should leave the banks to fight out their questions with the courts. I recall that when I was at the bar I was defending an action brought by the province of Alberta against the Royal bank in connection with the Alberta and Great Waterways Railway in which a deposit of some six million odd was changed from being a time deposit to the credit of the province's general account. The action succeeded in the courts of Alberta: then it was that the bank in question applied to Sir Robert Borden for disallowance. Sir Robert Borden fixed a time at which argument was heard. I did not appear, so I can speak about it frankly. They made a lengthy argument; the matter was considered by the committee of the privy council, and finally advice was given that the matter, then being in the courts, should be left in the courts and the power of disallowance should not be exercised. That gave the bank the chance to fight the case to the privy council, where, as is known, they succeeded. But the point I desire to make clear is that if we get into the habit of escaping the responsibility that belongs to the executive—and I am not saying that in an offensive sense—the very conditions to which Sir John A. Macdonald alluded will inevitably follow. If on the other hand we exercise the power promptly, and say —as I tell the Prime Minister and the Minister of Justice quite frankly I think we should say—to all the world that any provincial legislation which denies the right of any citizen to go to the courts will be disallowed by the government as a matter of policy, I believe it would serve a useful purpose, and would avoid the criticism being urged that in one case you did one thing and in another case, another.

As a distinguished journalist said the other day, there are two things we must deal with in this country. One is, to use the language so prevalent in these days and so apt, we must conquer poverty. I am well aware of the words of Holy Writ, "The poor always ye have with you." That is true. But we can lessen poverty. The other day I had a letter from Taber, and I confess that I found it difficult to continue work. Here was a family whose children were without clothes, and, covered with rude coverings, who kept warmth in their bodies by staying in bed; the father was without work and could not get it; he had been a miner when they were carrying on operations there. I could cite countless cases of this kind. I could mention similar cases in other parts of Alberta that came within my own immediate knowledge in the weeks I spent there during the last few months. Cannot we as a people do something to remedy such conditions? I think we can. The work may be slow, it may be difficult. Take, for instance, the proposals made by Mr. Purvis. He suggested a large scale operation which he thought would bring about an improvement in conditions, and the conditions that he says should be improved are those under which initiative is being destroyed by lack of employment and by payment of relief. Some steps have been taken for the purpose of lessening the numbers on

relief. But everywhere about me as I travel around this country—and I have travelled over it twice this year with that object and others in view—I have heard, in places, where I did not expect to hear it, a tale of pessimism and despair that I find difficult to understand, and of poverty that I believe we can conquer if we have the will to do it. I do not believe we are so bereft of statecraft, of courage and of enterprise that we cannot do it.

There is another point, and it is a vital one just now. There is no recurring depression in sight, but depressions move in cycles and with rapidity. We know what happened in the United States. We have seen its reactions in curtailed exports in November and December, and I doubt not we will again see in January, with, of course, the consequent reductions in revenue. But what are we doing to prepare ourselves to meet such a situation when it comes.

I have travelled about the British Empire in the last two years and have been struck with what has been done in other parts of the commonwealth to deal with these problems. It is true that conditions are different in each dominion, and what is true in one cannot be said to be true in another. It is true that the conditions which prevail in Australia do not necessarily prevail here. But when I studied the way in which they dealt with these matters, notwithstanding that they depreciated the value of their pound to $4, I realized, as those who have read Professor Copland's report, or The Fight of the Plans, must realize, that in that dominion they faced the problem with courage. Surely we have the same courage. Some people say, "Look at what is being accomplished to-day in New Zealand." Well, I shall not discuss that because there was a deficit there last year despite all their efforts to the contrary. In South Africa we find an abnormal condition, that country being extremely rich in gold. I realize, therefore, that differences exist in the various parts of the empire. But I am convinced that there are methods which might be resorted to, even though they might be experiments, that are worthy of the consideration of the Canadian people; and I believe that if the government took a strong lead with respect to these and commanded, as they would command, the support of men in every part of the house, they would be amazed at the results that would follow.

I know the difficulties that men are experiencing in understanding problems connected with monetary policy. Every day someone asks me questions with regard to monetary problems. When the Prime Minister was appealing to the people of the country, what was it he said he was going to do? He was going to wage a great battle against the money power. That was his statement. I did not make that statement; it was his. Well, even the most violent partisan will find it difficult to-day to discover the field of activities, to locate the terrain in which that war is being carried on. And there is no emulation here of the Japanese, because here we have not a war without declaration; there has been a declaration, but I have not seen any sign of hostilities.

We remember the occasion on which the British delegation was here in 1932, and I have no doubt most hon. members have read the reports of the speeches made at that time by Mr. Chamberlain, and by the representatives of India and other parts of the British Empire. In 1933 we saw the same thing—and always, running through it all, there was the idea that something should be done whereby conditions would be in some degree improved. But what are we doing about it? Is export trade going to bring about the improvement? Well, we have had a very heavy export trade, and I am sure the Minister of Labour is saddened when he looks at the numbers on relief, and the numbers receiving assistance from the state.

Mr. ROGERS: There has been a very great improvement.

Mr. BENNETT: Certainly there has; otherwise the country would be relieved out of existence. But there has been no improvement in the last two months; there are eighty thousand more unemployed to-day than there were a month ago.

Mr. ROGERS: That is explained largely by the seasonal decline.

Mr. BENNETT: But there has been always a seasonal decline; this is not a new season, 1938, that has come about especially for the Liberal party. The hon. gentleman would no doubt say:

> Now is the winter of our discontent
> Made glorious summer by this sun of York.

At any rate we have always had a seasonal decline. But is there anything that this parliament can do? Are we incapable of making progress in monetary reform? Are we incapable of progress in relation to security? What does lack of security mean? I read the other day that the president of the Board of Trade in England had made this statement, that no longer were English people worried about ownership, but only about the question of security. What about labour? What about the conditions that exist in the markets in the United States? What we have to face is lack of certainty—insecurity. That applies every-

where. Why is it that to-day we have such enormous aggregations of capital in the banks —capital unemployed? Why is it that to-day the banks have such enormous investments in our securities? Is there lack of confidence in our ability properly to function as a producing country? The answer must be apparent to any man who takes time to think. And what are we doing? We are taking our resources out of the ground—resources that we shall never have again—and shipping them out; and then we talk about our vast export trade. But that vast export trade is not doing anything comparable with what would be done for the relief of unemployment if we were fabricating that raw material in our own country.

Where does that raw material go? What is done with it? Do we buy it back? What about asbestos, nickel, lead, zinc, lumber and pulpwood and paper? What about all these articles? What about importations into Canada of commodities made from raw materials that left this country? What are we doing to provide ourselves with adequate defences, not against the enemy on our coast, but against the enemy of our economic life? I ask these questions in all seriousness, because I have not forgotten that there was a time when I sat to the right of the Speaker. I have not forgotten the criticisms that were made then, or the suggestions that were poured forth. The Minister of National Defence (Mr. Mackenzie) said, "We have $170,000,000 odd of gold; we can manage with a twenty-five per cent coverage and pay our national debt in part and provide for great public works, if only we are given the chance." And no dumb man has ever been dumber than the hon. gentleman has been in that respect ever since. Apparently there are others besides myself who have memories and can recall what the hon. gentleman has said on various occasions. But, I repeat, are we doing anything? I was chided because I did not do anything; we were chided because we did not do anything. But we did not make the promises that were made then.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: We did not.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: It is gratifying to think that the tension on the part of hon. gentlemen opposite has been relieved by the first smile in which they have been able to indulge for some time. Mark you, I do not say for a moment that these hon. gentlemen are not as greatly concerned about the human side as we are. It used to be charged against us in days of black depression that we did not do this and we did not do that. Go and look at the revenues; look at the number of people able to contribute to the taxes of the country at that time; consider the problems that confronted us then, and look at the condition in the world and in Canada to-day and tell me this—

Mr. DUNNING: They have the ability to pay to-day.

Mr. BENNETT: That is what I am saying.

Mr. DUNNING: Then they are that much better off.

Mr. BENNETT: I was about to say that they are that much better off, but that the government of the country is making no provision for the continuance of that condition. I have not forgotten that only seven or eight years ago the present Minister of Finance stood where he now sits and I heard his May-day budget speech in which he talked about the glorious prosperity of this country; yet he knew, or ought to have known at that very moment, that the country was being plunged into the greatest depression it ever experienced. He must have known it—

Mr. DUNNING: I had not the omniscience of my right hon. friend.

Mr. BENNETT: The hon. gentleman may not have had it, but at least he professed it. It is pleasing to have him admit that he had not.

Now, Mr. Speaker, in the face of these conditions, in the face of the world interest in the problems that concern not this country alone but the whole world, we find on the part of this government inaction. Inaction! A statement that foreign trade will solve our difficulties, when they know as well as I do that the moment the buying power of those who take our products ends, that moment our prosperity departs. They know that; every man knows that is what happened in 1929-30. When those who have been buying our products can no longer buy, then our prosperity vanishes. I believe in foreign trade; I desire foreign trade; but I desire foreign trade only as the complement of the development of our own life and provision against any onslaught that may come to our economic life by reason of the fact that we cannot market our products abroad. When you say it is other than that you cannot but know what the end must be. It cannot be otherwise.

But this government has done nothing. With respect to monetary policy it is just the same old tale: the fight with the money power is still to be joined, the great struggle

is about to commence. It is always about to commence but it has not commenced. Tomorrow or the day after peradventure we shall indeed engage them, if the day be not stormy or the signs unpropitious. Peradventure we may be able to increase our paper money five or six times over what it now is and enable the fortifications of Vancouver island to be erected.

An hon. MEMBER: How about the guns?

Mr. BENNETT: An hon. gentleman wants to know about the guns. I commend to him that poem of Kipling's about the guns. When he has read that he probably will have a clear understanding.

I see no possibility of this government initiating anything that looks toward the amelioration of the condition of the people. They are content to say that all you have to do is to establish foreign trade, and supplant the representatives of the Department of Trade and Commerce by those of the Department of Agriculture. That is all there is to be done; when that is done all is accomplished. Now, Mr. Speaker, we have to do something more than that. We have to establish security and confidence. What happened to your loan in London the other day? What happened to it?

Mr. DUNNING: Does my right hon. friend want to know?

Mr. BENNETT: Well, he reads, and he is familiar with the method by which these matters are dealt with. The underwriters took forty-nine per cent of it, and large blocks were taken off the market to prevent its going to a larger discount than it did. You have to compare the 3½ per cent loan offered by this dominion with the 3¼ offered by Australia.

Mr. DUNNING: Does my right hon. friend mean to say that there is less confidence in London in Canadian loans than in Australian?

Mr. BENNETT: I mean to say that there is less confidence in this Canadian loan than there was in the Australian loan.

Mr. DUNNING: My right hon. friend cannot possibly have the facts.

Mr. BENNETT: The underwriters did not get forty-nine per cent of the Australian loan, and they did of this.

Mr. DUNNING: No, no.

Mr. HANSON: Oh, oh.

Mr. BENNETT: The great financier from Skeena will be well advised to confine himself to something he knows. That is all that may be said with respect to that.

Mr. DUNNING: I shall have an opportunity to give the facts on some future occasion.

Mr. BENNETT: There is no difficulty about the facts; I am familiar with them.

Mr. Speaker, I desire to move an amendment to the address:

> We desire respectfully to express regret that the speech from the throne does not indicate that the government has taken or contemplates taking efficient measures to deal with unfavourable economic conditions in Canada, and that no legislative action is proposed to deal effectively with the prevailing uncertainty and insecurity resulting from the inadequate incomes of large numbers of our people.

The real truth is that today, despite what may be said with respect to prosperity, the average incomes of the people of this country are wholly inadequate to maintain decent life and the amenities of life in their homes. Let the government explain why it is that the incomes of the people of this country are wholly inadequate to supply their wants; the unemployed, the hundreds of thousands on relief. Let us hear the adequate explanation. Then will begin, I am sure, that great struggle, so long hoped for, of the giant against the money power, by which it is to be shaken to its very foundations and torn asunder, so that peace and good will will reign amongst the sons of men.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to extend my heartiest congratulations to the mover and the seconder of the motion for an address to his excellency in reply to the speech from the throne. Both hon. members were known to us before their entrance into this house. We knew them as gentlemen who had each played an important part in the affairs of his own province. The hon. member for Lotbiniere (Mr. Francœur) was for many years a member of the Quebec legislature. He was for a time Minister of Public Works in the Quebec government, and, for nine years, Speaker of the legislative assembly. Those of us who had the pleasure of listening to him this afternoon will agree that his experience and attainments in political affairs and in his chosen profession were amply reflected in the eloquent and able address which he delivered.

My hon. friend from Renfrew North (Mr. Warren), as we know, played an active part in municipal affairs, having served as reeve of his township and for many years as a

member of the Renfrew county council. He has as well been a member of the Ontario legislature and, as in the case of the hon. member for Lotbiniere, his address this afternoon afforded evidence of the experience which he has already attained in public life. His address has made apparent that we have had added to our number one who is particularly interested in the well-being of the farming community; one who has a broad interest in questions of the day and an hon. member who is well able to participate effectively in the discussions of the house.

I should like, in addition to welcoming these two new members to the house, to extend a welcome also to the other members who have entered parliament for the first time at this session: the hon. member for Cape Breton North-Victoria (Mr. MacLean); the hon. member for Frontenac-Addington (Mr. McCallum), and the hon. member for St. Henry (Mr. Bonnier). We shall have with us in a few days, I hope, the hon. member for Victoria, (B.C.) (Mr. Mayhew), who, unfortunately, is indisposed at the present time. All these gentlemen, will, I trust, have useful careers in this parliament in the service of their country.

There is one other hon. gentleman who I am also glad to see again in his seat in this house, our friend the hon. member for Dufferin-Simcoe (Mr. Rowe). With his usual modesty he did not permit himself to be reintroduced to the house. May I say to him that we are glad to see him back again in the fold, as I am sure he is glad to be back. I have no doubt that, after his little escapade last summer and autumn in provincial politics, he has come back a much wiser though perhaps a somewhat sadder man.

Now may I say to my right hon. friend (Mr. Bennett) that we all enjoyed very much some of the humour of his speech. We have been entertained by his digressions in many directions, although it has been a little difficult to follow him in some of his denunciations, exclamations, innuendoes and insinuations. I am not going to try to follow him along that devious course. I was however somewhat surprised that he was not a little more courteous to one of the hon. members who has just come into this house, who he had heard speaking for only a very few minutes and who he would not permit even to ask a question when, in the mind of the hon. member for Renfrew North, the right hon. gentleman himself was misconstruing what that hon. member had just been saying.

My right hon. friend said that the hon. member for Renfrew North had been drawing on his imagination for the facts. Well, there are some things with respect to which we need not draw on our imagination to be perfectly sure of the facts. One is that the present administration received from the people of this country the largest majority that any administration has had in the history of Canada. Nor do we need to draw on our imagination to recall that while for a time my right hon. friend was the leader of a very large party, he got at the end of one term of office one of the worst defeats any prime minister ever received. Nor do we need to draw on our imagination for a further fact, one which I think is also important, in view of what my right hon. friend has had to say by way of crititcism of the government, particularly with reference to what he says we have failed to do, in the matter of improving conditions. Let me ask: How has the country itself viewed the actions of the government since it took office? We have had seventeen by-elections since the general elections of 1935. Of that number my right hon. friend has carried three and the present administration fourteen. Of the three which my right hon. friend and his party have carried, one was in the city of Victoria. Since that by-election, there has been a second in this same constituency and the seat has been lost by my right hon. friend's party. One of the other two was the by-election which returned my hon. friend from Dufferin-Simcoe, of whom I spoke a moment ago. Evidently he was quite overcome by the few kindly remarks which were made about him, for he has left the chamber. The hon. member was allowed to leave this house by one of its doors and to come back unopposed by the same door.

There is still another fact to be kept in mind, it is not something imagined. While the present government was returned to power after the general elections of 1935 with the largest majority any administration has ever had in the history of Canada, to-day, at the beginning of the third session of the present parliament, we enjoy an even larger majority than we had at the time we came into office.

It is the country's opinion, I value. So, Mr. Speaker, I do not intend to devote too much time to what my right hon. friend has said about our failure to help meet the situation as it exists in this country. He has said a great deal about unemployment, which he states is continuing. May I remind the house of what my right hon. friend told the electorate when he was appealing to them and when they returned him to office in 1930? He promised that he would end unemployment or perish in the attempt. Far from perishing, he is here in livelier form than ever.

My right hon. friend talks about the number of unemployed, but the numbers of unemployed to-day are very different from what they were during his period of office, fortunately for the people and for the incomes of the people, to which his amendment to-night relates.

I was pleased, as we all were, to hear the reference the right hon. gentleman made to Their Majesties the King and Queen. Those of us who were privileged to attend the coronation ceremonies were deeply impressed by what we witnessed in Westminster Abbey. Even more impressive, however, than the consecration by their majesties of their lives at that service, is the devotion which they have shown to the public service in their high post of duty since his majesty's accession. I doubt if at any time in the history of any country there have been upon the throne a king and queen more devoted to each other and to their subjects, and whose lives have been more completely consecrated to the well-being of their fellow men, than King George VI and Queen Elizabeth. The affection in which they are held in the old land is already all but equalled by the affection entertained for them in all parts of their great empire.

The speech from the throne affords, I think, an appropriate opportunity for a reference to the recognition given in the coronation ceremoney to the complete nationhood of the Dominion of Canada. I confess that as I listened to the oath which was administered to his majesty, and heard his majesty promise to obey it, I felt great pride as a Canadian to hear for the first time in history my own country in relation to the crown mentioned in terms exactly the same as those applied to Great Britain itself. The oath administered at the time of the coronation ceremony was as follows:

> Will you solemnly promise and swear to govern the peoples of Great Britain, Ireland, Canada, Australia, New Zealand and the Union of South Africa, of your possessions and the other territories to any of them belonging or pertaining, and of your empire of India, according to their respective laws and customs?

The reply was:

> I solemnly promise so to do.

That oath marks the end of a suggestion, remote or otherwise, of anything in the nature of subordinate or colonial status. It is the enunciation by the crown itself of the complete nationhood of Canada on equality, so far as status is concerned, with all other nations of the British Commonwealth.

I found it somewhat difficult to follow the observations of my right hon. friend with regard to the imperial conference. So far as I am able to recollect, his observations were to the effect that speeches were reported to have been made by me, or that something had appeared somewhere referring to me, purporting that, at the imperial conference, I had acted as the chief interpreter of the views of the chief executive of another country with respect to that country's relationship with Great Britain.

Why did my right hon. friend not come right out and state that some Conservative papers, here and there, have been saying that Mr. Mackenzie King was seeking to be of some service to the President of the United States in connection with his desire to conclude a trade agreement with Great Britain. That is what he meant, but he did not say it. He left it as a sort of vague impression, one which has been fostered right and left in the press supporting my right hon. friend. In fact, in an editorial in one of the papers of this city there appeared the statement that, when last year I visited Washington as the guest of the president, the purpose of my visit was to discuss the proposed trade agreement with Great Britain, that I had gone very fully into the whole matter with the president and with the secretary of state, and that I had then gone to the imperial conference and at the conference had been the advocate for the United States with respect to an agreement with Great Britain.

May I say to you, Mr. Speaker, and to hon. members, that at the time I visited Mr. Roosevelt at the White House in the early part of last year, and had the privilege of discussing a great many questions with him in an intimate way, the subject of a trade agreement between the United States and Great Britain was never so much as mentioned. The same is literally and absolutely true with respect to any conversation I had with the Secretary of State for the United States at that time, or with any member of the United States government.

It was from the British Ambassador in Washington, and from our own minister in Washington who, in turn, had received his information from the British Ambassador, that I learned for the first time that for some little time there had been explorations, negotiations, conversations, whatever the proper description may be, with respect to the possibility of a trade agreement between the United States and Great Britain. It was information given, not with any request attached to it, but a simple statement of the fact that these two countries were contemplating negotiations and had begun discussions.

When, with some of my colleagues, I was present at one of the sessions of the Imperial conference in London, the matter was brought up, not at my instance, as was stated from some inspired source, but by a minister of the crown in Great Britain. The question was discussed openly before the representatives of the empire countries there represented, in which number Canada was included. We were told of the nature of the negotiations under way and were asked to express our views with regard to them. I need not say to this House of Commons that any expression of views from any of my colleagues or myself was wholly to the effect that, while Canada was anxious in every way to be of service in the matter of furthering friendly relationships among different countries, we would necessarily wish to see that every privilege we enjoyed in the British market was fully protected, and that any change which might be made in that position could be made only as the result of what in our opinion were adequate compensations therefor.

I do not propose to-night to go into the matter of trade negotiations between Great Britain and the United States, or for that matter into trade negotiations between Canada and the United States. I shall have something to say on these matters at a later date. Part of the business of a leader of an opposition is, so far as possible, to draw out the government in advance of the time at which discussions on certain subjects may properly take place. The time to discuss these trade matters is when we have something concrete before us for deliberation.

I should, however, make it abundantly clear that any trade negotiations between Great Britain and the United States were begun and entered into by those countries themselves. Of necessity we have to take notice of them. We have an agreement with Great Britain and one with the United States, each of which will expire shortly. In fact, the one with the United States runs to the end of the present year, and is subject thereafter upon notice to complete cancellation at the end of six months. The agreement with Great Britain expires in 1940.

It is necessary for a government at all times to have regard, not only for today but for to-morrow, to have regard to situations which may arise not in the immediate present only but also in the future. Under these circumstances I would ask any hon. member this question: When other countries belonging to the British Commonwealth of Nations have declared their willingness to cooperate helpfully, if it is possible so to do, in the furtherance of trade relations between the two greatest trading countries of the world, in a manner which it is hoped will help to serve the interests not only of these two countries but of all parts of the British Commonwealth and other nations as well, should Canada be the one to sit back, like a dog in the manger and say, "We will have nothing to do with either of you in transactions of the kind"? I wonder where we would be in the course of another year if that were the attitude we chose to take.

If that is the attitude he would take, it is a fortunate thing for Canada that my right hon. friend is not in office to-day. I tell him that, strongly as he may feel about the importance of having a wall around this country, the walls which have been built up around different countries are more than anything else, responsible for the unrest throughout the world at the present time. The world will get through its present difficulties, not by nations adopting an attitude of non-cooperation, but by all countries being as helpful as they can and in as many directions as possible. Particularly is this true with respect to matters tending to improve conditions in international trade.

The next topic to which reference is made in the speech from the throne is the improvement in Canada's economic condition. The facts of recovery are so evident, I had thought I would not say very much on this subject, but the amendment of my right hon. friend forces me to make some observations. He has moved the following in amendment:

> We desire respectfully to express regret that the speech from the throne does not indicate that the government have taken or contemplate taking efficient measures to deal with unfavourable economic conditions in Canada, and that no legislative action is proposed to deal effectively with the prevailing uncertainty and insecurity resulting from the inadequate incomes of large numbers of our people.

The amendment regrets that the speech from the throne does not indicate that the government have taken or contemplate taking efficient measures to improve economic conditions. Why should the speech from the throne state that the government contemplates taking efficient measures to improve economic conditions? Look at the facts and figures with regard to the present conditions in Canada in comparison with what they were when we came into office and see what they disclose. They speak more eloquently than any words in the speech from the throne could. If we inserted in the speech from the throne the exact words calculated to avoid my right hon. friend's amendment he would have criticized us at once. He would have

told us that instead of putting any such words into the speech from the throne it would have been much better to have enumerated the statistics which would verify the fact that an improvement had taken place.

He said that within the last little while there had been a falling off of trade with the United States, that there had been a setback to some extent, and that the balance of trade was not what it had been. My right hon. friend knows very well that the falling off this year in exports to the United States and other countries is due, more than anything else to the unfortunate drought which has been experienced in western Canada. In the past year, the United States had a surplus of grains, feed and fodder, whereas Canada unfortunately, as a result of intense drought had no exportable surplus. A year ago that situation was entirely the reverse. At that time we had a surplus of these commodities and drought in the United States necessitated large imports of them from Canada. Because of drought, Canada did not have a normal quantity of wheat for export in the closing months of 1937. The exports of wheat in December, 1936, were valued at $25,256,000, whereas in December, 1937, they were valued at only $10,121,000. In the one item of wheat there was a decrease of $15,000,000 or 60 per cent in one month. This decrease was due in part, to the fact that the dominion had not been able to produce the wheat required for export. We hope that this condition will not recur in the present year, and there is strong reason to believe that it will not. If conditions should again become what we hope they will, then unquestionably sales to the United States and other countries will be appreciably increased as a consequence.

Mr. BENNETT: The exports that have just been mentioned were not to the United States only.

Mr. MACKENZIE KING: They were Canadian wheat exports, but a very large part would have gone to the United States if we had been in a position to sell.

Notwithstanding what my right hon. friend asserts in his amendment, there is abundant evidence of substantial progress. The speech from the throne refers to the new levels that have been reached in revenues. Revenues are a fairly good index as to whether or not conditions have improved. For the first nine months of the fiscal year 1935-36, the total ordinary revenues of Canada amounted to $288,000,000. In the same period in 1936-37, they had increased to $339,000,000. In 1937-38, they totalled $401,000,000. The figures for 1937-38 showed an increase of 18 per cent over the 1936-37 period and 39 per cent over the 1935-36 period. In 1937-38, the revenues of this country were the highest that they have ever been for a similar period in any year.

These figures supply the answer to my right hon. friend's amendment. They indicate the degree of relative prosperity in this country when compared with what it has been in the past.

Let us take the figures with respect to trade. The total trade of Canada for the calendar year of 1937 was the highest since 1929, which was one of the best years. In 1935, the last year my right hon. friend was in office, the total trade of Canada amounted to $1,389,000,000. In 1936 it amounted to $1,663,000,000, and in 1937, $1,934,000,000. The 1937 figure shows an increase of $271,000,000 or 16 per cent over the 1936 figure and $545,000,000 or 39 per cent over the 1935 figure. For those who insist that the important factor is the balance of trade, let me state that Canada had a favourable visible balance of trade of $316,000,000 for the calendar year 1937. For the first time since 1921, Canada regained her position as the fourth greatest exporting nation in the world.

Yet to-night this new doctrine of no advantage in export trade, is put forth quite evidently to help combine the Tory party with those of the Social Credit and other groups who sit to its left.

Mr. BENNETT: I did not say that.

Mr. MACKENZIE KING: I know my right hon. friend did not say it, but I am saying it. I know what he has in his mind.

Mr. BENNETT: I did not say there was no advantage in export trade.

Mr. MACKENZIE KING: My right hon. friend has so many doctrines that it is hard to keep track of them, but, according to the latest one put forth to-night, it is a mistake to think of international trade as being a good thing.

Mr. BENNETT: I did not say any such thing.

Mr. MACKENZIE KING: My right hon. friend said that it led to war.

Mr. BENNETT: That is not what I said either.

Mr. MACKENZIE KING: My right hon. friend may have his eyes on the Edmonton East by-election.

Mr. BENNETT: No, I am not thinking about it.

Mr. MACKENZIE KING: He may be hoping that between now and the next general election he can succeed by some doctrine of economic nationalism in finding an alleged solution of all problems. He evidently hopes to bring these two parties into a working combination. The Conservative party will be brought into this combination on the basis of high protection, and the Social Credit party will be brought in on the basis that their experiment can succeed only where there is no contact with the outside world.

My right hon. friend came into power in 1930 on the cry that he would end unemployment in a short time. He went out of office five years later because he had not succeeded but had made the situation worse. He left us with a pretty heavy legacy. We have, however, tried to do our best, and have succeeded to a considerable degree. What is the position with regard to the increase in employment and the decrease in unemployment? More persons were employed in Canada on January 1, 1938, than at the corresponding period of any previous year in the history of Canada. That fact is disclosed by the figures of the Dominion Bureau of Statistics with regard to employment by firms employing fifteen or more persons. The index number for January 1, 1930, stood at 119·1; in 1938 it was 121·4. I want to repeat that fact: More persons were employed on January 1, 1938, than at the corresponding time in any previous year.

What about unemployment? Unemployment was lower in December 1937, than in the same month of any year since the beginning of the depression. The Dominion Bureau of Statistics estimate of unemployment in Canada for the month of December in different years is as follows:

1930..	413,000
1932..	675,000
1936..	502,000
1937..	381,000

A very substantial decrease. The relief figures at last also show a marked decrease. There is always a time lag between reemployment and the corresponding reduction in relief. This was evident a year ago, despite the substantial increase in employment at that time. The figures for this year are as follows: The total number afforded direct relief, including dependents and those receiving part time relief, for the month of December, 1932, was 1,243,000; December, 1936, 1,119,000; December, 1937—no longer in the million—down to 970,000. This reduction in the relief figures has taken place notwithstanding the drastic increase in relief in Saskatchewan due to drought conditions. The total of the direct relief for the province of Saskatchewan alone—which helps to show where the numbers are—ran up from: in December, 1935, 176,000; and December, 1936, 230,000, to 400,000 in December, 1937. The total estimated population of Saskatchewan in 1937, it should be borne in mind, is 939,000.

Now what do these figures of the increase in employment and increase in trade indicate? They indicate that a consequent improvement has taken place all along the line of our economic life. Carloadings, for instance, have materially increased. In fact, they have been the highest this last year since 1930. The gross operating revenue of the railways has been the highest since 1931. In the year just closed, industrial production and the volume of business in Canada have attained unprecedented levels. I will not go into details, they can be given at some other time if necessary. If you are to gauge economic improvement and progress, what are the indices by which you will do so? One is the increase in revenues, another is the increase in trade, another is the increase of employment, and another is the decrease of unemployment. In every one of these, the record is exceptionally good. While undoubtedly much remains to be done, this much at least is clear: our policies have been in the right direction. We have heard my right hon. friend to-night describe an individual case of hardship and distress. There are too many of these cases, but, thank heaven, there are not anything like the number to-day that there were when he was in office Things are very different indeed. We are witnessing gradually an improvement of conditions, not as quick an improvement as we should like, but as rapid, apparently, as the circumstances of the times have made possible. It may be that some hon. member can make a suggestion which will serve as a cure-all for the ills of to-day. We have heard a good many of them in the past. Heretofore when most of them have been tried, they have not been too successful.

My right hon. friend spoke of the employment commission and asked why, the commission having made its report, we were not acting upon its recommendations. Well, there have been several recommendations of the commission which have already been acted upon. I shall not anticipate what the Minister of Labour (Mr. Rogers) may have to say, but I might point out to the house that, when we came into office, there was no registration of the unemployed on relief in this country. To-day the unemployed have been registered from the Atlantic to the Pacific. In this particular, we know where we are at in dealing with this problem. This registration was one of the initial recommendations and

subsequent accomplishments of the commission. When we came into office there were from one side of this country to the other relief camps in which single unemployed men were massed together in great numbers. These camps were becoming more and more hotbeds of unrest and dangerous discontent and were proving anything but helpful to those who were the members of them. Happily, these relief camps have completely disappeared. The men who were in them have, in considerable numbers, found employment elsewhere or have been receiving training to fit them for honourable occupations in some business or industry in which they may wish to engage. Another recommendation of the commission, put into operation by the government had to do with youth training projects. Up to the present, 26,000 unemployed young people have received, or are receiving training in various types of useful and profitable work. Then there has been the scheme for placing large numbers of single unemployed men on the farms, helping to supply the farmer with labour which he needed, helping to supply these men with work, remuneration, and the comfort of a home. Thousands have been placed in these positions. Moreover, under the home improvement plan, another recommendation of the commission acted upon by the government, 34,000 loans have been made by the Minister of Finance (Mr. Dunning), all of which have helped to provide employment to large numbers of those engaged in the building and other trades.

These are some of the things which have been done under recommendations of the employment commission. The final report of the commission reached the government only a day or two ago. That report is being translated and is also being set up in type at the printing bureau. The government has assumed that hon. members will wish to have the report in printed form as soon as it is tabled. We assume that the house will desire to order a number of copies. But we are anticipating that order by asking the bureau to go ahead with the printing, so that as soon as the report can be tabled in both French and English, it may be immediately available in printed form to all hon. members.

The same is true with respect to the report of the textile commission, which is now in the hands of the translators. It was not received until shortly before parliament opened. As soon as it is translated and printed it, too, will be laid on the table. My right hon. friend has complained about the length of time it has taken for that report to be completed and signed. It is true that it has taken longer than the government hoped it might. My right hon. friend has spoken about Mr. Justice Turgeon being employed upon another report, which has to do with the grain trade. It so happens that Mr. Justice Turgeon has an exceptional knowledge of matters pertaining to the grain trade, and when it was thought advisable to have an investigation made into the subject of the wheat board and its operations. it was, I think, a matter of general opinion that to undertake that particular work, no better person could be secured in Canada than Mr. Justice Turgeon. The matter being as important as it was, the government felt that, notwithstanding the fact that he had undertaken the onerous task of conducting an inquiry into conditions in the textile industry, it would ask him to undertake the other task as well. He has had a very heavy time of it, but I think that when the house receives the reports which will be presented to it there will be every reason to believe that it was worth waiting a little longer to get the results we shall obtain in that way.

I pass on to the next subject, which is one that seems to afford my right hon. friend considerable amusement, namely the relations between the Department of Trade and Commerce and the Department of Agriculture. No doubt he has in mind some of the experiences he himself underwent when he was head of a previous administration and had to do with officials in different government departments. The matter is a very simple one. I think the press in some cases has looked upon it as one that, with the aid of their own imaginations, could be exploited with interest to the public. They have sought to make out that there was a sort of government crisis arising out of different points of view being held by officials of various departments. May I tell my right hon. friend and other hon. members exactly what the facts are?

As my right hon. friend has said, there has always been a question as to just where the jurisdiction of the Department of Agriculture in the matter of preparation of products for marketing ended, and where the jurisdiction of the Department of Trade and Commerce with respect to marketing and sale began. There is a point at which the two come more or less into pretty close contact; and when they do, the officials of the departments concerned are apt to come into close contact as well. If there happens to be the slightest comment which can be construed as a suggestion that some department has not quite

measured up to the mark, immediately it is taken as a reflection upon the officials of a particular department.

My colleague, the Minister of Agriculture (Mr. Gardiner), appointed Mr. A. M. Shaw, along with other experts, to prepare a report on certain aspects of the United Kingdom market and Canadian agricultural products. That report was printed and distributed. It so happened that it contained some inaccuracies. It also contained some statements that were a bit ambiguous and capable of being misconstrued. That being the case, strong exception was naturally taken to certain phases of the report. However, when these matters were brought to the attention of the government, the Minister of Agriculture himself immediately suggested that there should be a committee, which would be composed of representatives of the Departments of Trade and Commerce and of External Affairs, as well as of his own department, to go over the report to see wherein for the sake of accuracy, statements might require revision. That has been done and the report has been changed to that extent. The report had been printed and distributed to the extent of some five thousand copies, six thousand in all having been ordered. When the matters to which I have referred were brought to the attention of the government, the minister himself suggested to me that it would be inadvisable for him to continue the distribution further. He said he would retain what copies remained undistributed. That part of the report which contains constructive suggestions, with respect to production may later be made available in another form. That is where the matter stands at the present time.

Mr. BENNETT: Was there an order in council?

Mr. MACKENZIE KING: With respect to the report?

Mr. BENNETT: No, with respect to the consolidation of the department.

Mr. MACKENZIE KING: With respect to the consolidation of the department, that has been a matter of internal organization in the department, the minister managing his own department and arranging its affairs within the terms of the law.

So that there may be no mistake about the line of demarcation between the functions of the two departments, may I say what my understanding of it is—and I think it is correct. The marketing of agricultural produce in so far as it relates to Canada is a matter that belongs entirely to the Department of Agriculture. There can be no doubt about that. There are in Canada provincial departments of agriculture as well as the federal department, and it is necessary for the minister so far as the federal Department of Agriculture is concerned, to have supervision over the entire work of marketing throughout all parts of Canada. As Minister of Agriculture, he is equally interested in seeing that all agricultural commodities for sale in foreign countries are so processed, packed, classified, packaged, transported and inspected, that there can be no doubt regarding their quantity and quality when they reach the market. In other words, he has to see to the quality and acceptability of the commodities that are exported.

Mr. BENNETT: "Acceptability" might be open to a wrong construction.

Mr. MACKENZIE KING: "Acceptability" in this sense, that the effort of the Minister of Agriculture is to ascertain the particular form and the quality and the kind of commodities most desired in the markets of the world. The jurisdiction of the Minister of Trade and Commerce begins with the matters of trade and of sale. The Minister of Trade and Commerce has to do with the business of sales, the business of trade in foreign countries. There need not necessarily be a conflict between the two. The line of margin where possible differences may arise, or at least have arisen in the past—they need not in the future if proper safeguards are observed—is with respect to the borderline I have described, where the Minister of Agriculture sees to it that products reach the old country and are there in a form for marketing that will be acceptable, and the part which the Minister of Trade and Commerce and his officials play in seeking to advertise these goods and to gain for them the widest possible sale.

All along there have been a number of inspectors in the old country, under the Minister of Agriculture, to inspect live stock and commodities as they reach that country. They have been there since 1912. It is proposed that there shall be—in fact the government has agreed to it—a commissioner to supervise the work of these various inspectors, and who is to be free to travel in foreign countries for the purpose of gathering information which he can send to his own department to be of assistance to the minister in having agricultural products prepared as necessary and in the manner most desirable. That is the extent to which his organization is expected to operate beyond the bounds of Canada; the rest of the work is all under the control of the Minister of Trade and Commerce.

That brings me to another matter which has been the subject of discussion, to which my right hon. friend referred when he was speaking to-night, namely that in some way the supervision of advertising had been taken from the High Commissioner for Canada, Mr. Massey, because of the estimates for that purpose having been transferred from the Department of External Affairs to the Department of Trade and Commerce.

Mr. BENNETT: I did not mention advertising.

Mr. MACKENZIE KING: What was it my right hon. friend had in mind?

Mr. BENNETT: I had in mind the question of the relation between the two departments in connection with the high commissioner's office. The statute says he shall act as agent for Canada in connection with all business.

Mr. MACKENZIE KING: What my right hon. friend says is correct; the high commissioner's position is that of agent for Canada with respect to all departments. However, my right hon. friend will recall that prior to 1933, I think it was, the Minister of Trade and Commerce brought into the house estimates with respect to the work of publicity overseas, and he himself changed that arrangement and had them brought in by the Minister of External Affairs, which office he held, because, as I understand it, he felt, from representations which the Hon. Mr. Ferguson had made—Mr. Ferguson was high commissioner at the time—that there was need for closer coordination of effort with respect to publicity in the old country, and that there should be more immediate control by the high commissioner. He believed that he himself was in a better position than anyone else to bring about the desired result. When we came into office Mr. Massey continued the work which Mr. Ferguson had carried on in that regard; and Mr. Massey has done that work as efficiently and effectively as could be expected of any high commissioner.

What is the change that has been made? In reality none, so far as Mr. Massey is concerned. Mr. Massey's position remains exactly as it is with respect to the supervision of the work of publicity. He will be assisted in the future, as in the past, by an advisory committee composed of representatives of the departments interested. The only difference is that instead of my presenting, as Secretary of State for External Affairs, the estimate for overseas publicity, advertising and the like, in the estimates of the Department of External Affairs, these estimates will be presented hereafter by my colleague the Minister of Trade and Commerce.

Mr. BENNETT: Instead of the high commissioner's office?

Mr. MACKENZIE KING: Yes, instead of their being presented in connection with the vote for the high commissioner's office they will be presented with the estimates of the Minister of Trade and Commerce. That change was made at my own instance after the experience I went through in the house last year in presenting the estimates to the house. After having endeavoured to tell this house about the overseas advertising publicity campaigns, and the like, I said to Doctor Skelton, the Under-Secretary of State for External Affairs, that I did not see why I should have to do this, that it properly belonged to the Minister of Trade and Commerce, and that I hoped that, when the estimates were prepared this year, that vote would be submitted in the name of the Minister of Trade and Commerce.

Mr. BENNETT: Then there is no change at all?

Mr. MACKENZIE KING: There is no change at all, and the effort to have it appear that in some way there has been some difference which accounts for the change is as erroneous as it could possibly be. I think that what was felt most keenly in connection with the Shaw report was that references, which were not intended in any way to relate to the advertising campaign which Mr. Massey had put on for the Canadian government in England, were construed as relating to that campaign. They did not refer to that campaign at all. I think it has been generally conceded that that work was done most efficiently and effectively. It is very much to Canada's interest that it should be distinctly understood in the old land that there is nothing but the highest approval on the part of the government, and I believe on the part of the opposition and all hon. members of the house, of the campaign put on by Mr. Massey in the old country in the last year or two. In fact one of the strongest endorsations of that campaign came from the other side of the house last year.

In order that there could be no difference of view, and that the matter might be presented more clearly to the house when parliament met, I submitted a recommendation on the 25th of this month, and an order in council was passed with respect to advertising and the promotion of trade overseas, defining the rela-

tion between the work of the Department of Trade and Commerce and the high commissioner's office regarding advertising in the United Kingdom. The recommendation adopted is as follows:

1. All financial provision for governmental assistance to the promotion of Canadian trade abroad (including any appropriations for advertising and trade publicity) shall be made in the estimates of the Department of Trade and Commerce and shall be subject to the supervision of the Minister of Trade and Commerce.

2. An advisory committee on trade publicity overseas shall be set up of representatives of the Department of Trade and Commerce, External Affairs, Agriculture, Fisheries, whose duty it will be to assist in securing effective collaboration between the several departments concerned with special aspects of government advertising and publicity policy abroad.

3. The advisory committee on publicity in the United Kingdom established under the chairmanship of the High Commissioner shall continue to carry out the work it has been doing in connection with the vote for government advertising and publicity in the United Kingdom.

With the permission of the house I should like to table the order in council.

I hope this will clear up the situation. I deplore very much the criticisms that have been made of the high commissioner in London. I think they have been most unfair and unjust.

While speaking of the high commissioner, may I refer to one other criticism that has been made. It has been alleged anonymously that Mr. Massey did not show the attention he should have shown to some Canadians who were in London during the period of the coronation. I believe if it were left to hon. members who were in London at the time of the coronation to speak for themselves, they would agree with me that the high commissioner did all that any man could have possibly been expected to do in meeting the difficulties with which the high commissioner's office was faced at that time, and that what Mr. Massey and his small staff accomplished was really most remarkable in face of the situation as it existed. The coronation and the imperial conference made exceptional demands on the high commissioner's office. I wonder if hon. members realize how great that additional obligation was. There were arrangements for invitations to and the placing of Canadians in the abbey; the allocation of 4,800 tickets for Canadians to view the possession on the line of march, as well as the financing and administration of the sale of those tickets. This involved the writing of approximately 30,000 letters by a small staff hurriedly improvised for the occasion. There were arrangements for the erection of the stand at Canada House, the allocation of 525 seats thereon and the financing of this enterprise through receipts from tickets. This was entirely a Canada House initiative. Canadian visitors registered at Canada House during the coronation period to the number of 7,360. Efforts were made to assist them in a variety of ways, securing them accommodation, tickets for luncheons, hospitality, and looking after their mail. Approximately 30,000 letters were distributed or readdressed, to visitors by the Canada House staff during this period, while some 13,000 invitations to official, semi-official and private functions were arranged. The high commissioner himself entertained at his own house during the coronation period some 2,000 Canadian visitors. I submit that with a task of that size thrown upon the organization at Canada House, what was accomplished in the circumstances was truly remarkable.

Before leaving this subject, I desire to refer to an insinuation, if not a statement made by one newspaper correspondent, that money voted by this parliament for publicity purposes had been used by Mr. Massey as high commissioner for entertainment and social purposes. I deny that statement emphatically and totally. I wish to add that if more statements of that kind appear in future, the government will not hesitate to institute prosecution of those responsible for them.

Mr. BENNETT: It could not happen anyway.

Mr. MACKENZIE KING: No, certainly not.

There will be other opportunities to discuss the work of the royal commission appointed to deal with dominion-provincial relations. I should like, however, to say at once that the criticism my right hon. friend has directed against the personnel of the commission is not so much a criticism of individuals of this particular commission as it is a criticism of all royal commissions. It is a criticism of the integrity of men who undertake judicial duties. My right hon. friend knows as well as anyone living, better than most people, that any attack of the character upon the judiciary would be wholly indefensible.

Mr. BENNETT: This is not judicial duty.

Mr. MACKENZIE KING: These are judicial duties, very much so. The commission is presided over by a chief justice of one of our provinces. I was surprised that my right hon. friend should make the attack he did upon the personnel of the commission. He has told us to-day that he did not make

the criticism of the chief justice attributed to him. But he did, I think, include him as belonging to the pack of Grits to which he referred. He now nods his head to that effect. But the chairman of the commission was not so classified at the time he was President of the Privy Council in Sir Robert Borden's government. I think the present administration has shown pretty clearly in this appointment as in the appointment of Mr. Dafoe, the attitude of those who were supporters of Sir Wilfrid Laurier throughout the whole of his leadership. We have not been hidebound by a narrow or bigoted party point of view. We have sought to take what we believed was the right and large view of liberalism in this country. May I ask my right hon. friend a question? I suppose there is no greater political partisan in the country to-day than himself. And I think he would agree that there are few men in Canada—and I say this with pride and pleasure—who are more admirably equipped intellectually and by high legal attainments and learning for a position on the bench than himself. Would he regard the fact that he had been in politics, and is to-day the bitter partisan that he is, as evidence that he was wholly unsuited to occupy a position on a royal commission or wholly unsuited to occupy a place on the bench? The judiciary of this country is filled with men who at one time or another have occupied seats in this House of Commons, who have been extreme party men or perhaps I ought to say very sincere party men, who fought their political battles in the open, feeling that others believed in their integrity and sincerity of purpose. When they have gone on the bench or have acted as members of royal commissions or have been given other positions of honour and trust and confidence, they have sought to bring to those positions the integrity which their fellowmen had come to know and admire while they were sitting in parliament.

The same is true of the gentlemen who have been appointed to this royal commission. There is not in this country a man, with the possible exception of the chief justice of Ontario, who has given more careful thought and study to constitutional questions than Doctor Dafoe. I do not believe there is a man whose integrity of mind and purpose is stronger and firmer or more respected than that of Doctor Dafoe.

No one knows better than my right hon. friend that this commission is not deciding on the future constitution of Canada. The work of the commission is concerned with the finding of facts and the expressing of opinions in reference to those facts. Whether or not the opinions reached prove to be wise and such as to commend themselves to the judgment of others will depend upon what those opinions are, in the light of all the facts put before the commission. My right hon. friend says we should have had the matter so arranged that there would be a convention where, as soon as one opinion was put forward, in the very next moment it could be combated by another. I wonder what would be accomplished at a convention of that sort, where every time a speaker got up to make one proposal from one province he would be combated by someone with a counter proposal from another province. It was precisely to avoid that sort of thing that this commission was appointed, and that is the reason most commissions are appointed. The commission will make its investigation thoroughly, as it is doing now, with respect to facts and opinions from coast to coast, being prepared to receive any representations presented to it in a responsible way for consideration. All this information will be at the disposal of hon. members of this house and the members of provincial governments when estimating the value of the opinions of the commission. Whether or not the government itself will accept the views of the commission, or the opinions of any commission, is by no means certain. The government like everyone else, will wish to study the report. We are not obligating ourselves in advance to accept whatever this or any other commission may recommend or suggest. The terms of reference have been drafted in specific terms to make clear that what the commission is expected to do is to give opinions and the grounds for those opinions, and endeavour so to elucidate matters that when public bodies come to deal with the great questions with which the commission is concerned, they will have accurate and adequate information before them.

I venture to say that the commission has more than justified its establishment already, if for no other reason than that the country sees to-day, as it has never seen before, the reasons for the differences that exist between different parts of Canada and the difficulties in the way of meeting the various situations that arise. I venture to say there is not an hon. member of this parliament who has not already had his eyes opened by the representations that have been made to the commission in different parts of the country; as to what was expected of the government at Ottawa; as to what is to be expected in years to come, and as to the impossibility of the acceptance of some of the proposals that are being advanced. It is just because the whole situation is so complex and involved that it is necessary to have a commission to sort out the material and go through it in a thorough manner, reviewing

it so that it can be taken up intelligently by those who later will have to deal with questions of policy.

So far as policy is concerned, what is to be done with the information that will be put before parliament as a result of the work of the commission, is a matter that will come up entirely independently of the commission. Anyone who says that we are seeking by means of the commission, to change the constitution of this country, and that we are thus in fact changing it, is stating something that is wholly without foundation. The commission has been appointed, not to change the constitution, but to examine facts with regard to economic conditions, financial responsibilities and the like. There is a difference between changing and examining. When it comes to the question of change, this parliament and the legislatures of the different provinces of Canada will have their full say in the matter.

Mr. BENNETT: The order in council speaks of the distribution of legislative powers.

Mr. MACKENZIE KING: Yes, the commission is empowered to examine into the distribution of legislative powers, but not to change them. My right hon. friend knows that no commission can alter the distribution of legislative powers. He knows that this parliament is the only body which can do that with respect to the constitution of Canada. His time would be much better spent, and his great knowledge of these questions better utilized, if he sought to show wherein it might be possible, step by step, precept by precept, here a little and there a little, to bring about changes that are going to be in the interests of Canada as a whole, rather than trying to add to difficulties by suggesting, because different views are finding expression, that the commission is rendering a disservice to Canada.

I never listened to anything so—I was going to say "puerile"; I hope my right hon. friend will not mind the word—

Mr. BENNETT: Not at all, considering its source.

Mr. MACKENZIE KING: —as his statement with respect to a document which had been prepared by the present Minister of Labour (Mr. Rogers) for the government of Nova Scotia, which evidently has been much appreciated by the citizens of other parts of Canada as well as of the maritime provinces. My right hon. friend says that this document is going to upset the constitution, and set the east against the west. My right hon. friend went a long piece out of his way to attack the government when he had to do it in that roundabout fashion over the head of the present Minister of Labour in reference to a matter that related to the maritime provinces.

Mr. BENNETT: No, in it he referred to the other provinces.

Mr. MACKENZIE KING: Yes, I know. And may I say this to my right hon. friend, that the Duncan commission, as he will recall, had to deal, among other things, with problems that affected the relations between the dominion and the provinces through a commission having primarily to do with the maritime provinces. If evidence were needed as to the service that a commission can render in just those very matters, nothing better could be cited than the work of the Duncan commission itself, because it helped in very large part to meet some of the conditions with which it was faced.

My right hon. friend appointed a commission himself. He appointed a good many; but the one I have in mind in particular is the commission that inquired into railways and transportation. At the head of that commission he placed the chief justice of Canada, and on the commission he appointed a number of other gentlemen who were known to have very definite and fixed ideas with regard to certain phases of transportation. When he appointed the members of that commission, was he doing so in the belief that they would not act in a wholly honourable manner in discharging their duties, and give to the country the best of their intelligence by way of a careful and just analysis of all the evidence that was put before them? Unless he is prepared to say as much in regard to the commissions which he himself appointed he should not begin to criticize other people from motives which they find it difficult to understand.

Mr. BENNETT: My right hon. friend is wrong. I was not criticizing motives; I was simply saying the method was wholly inapplicable to a constitution; that is all.

Mr. MACKENZIE KING: I think we shall agree to disagree, but may I say this last word in regard to the value of the evidence that may be given before the Dominion-Provincial commission. I do not recollect any too well much of my early classical training, but there is one sentence in Cicero which has left a lasting impression upon my mind. It is: "Magna vis veritatis qua facile se per se ipsa defendit." As my latin may not be too easily understood, may I give the translation. It is: "Great is the power of truth

which of itself so easily defends itself." That is the way in which the work of this commission will be judged, as will the work of every other commission. We will judge what is best in any situation from the truth itself. The truth will be easily defended because of itself it defends itself, once the facts are adequate and clear.

Mr. BENNETT: And my right hon. friend will remember, "What is truth"?

Mr. MACKENZIE KING: That is a question which has not yet been answered.

Mr. BENNETT: No.

Mr. MACKENZIE KING: But we are getting nearer the answer every day.

My right hon. friend's attention was next directed to the course the government is taking with respect to seeking to have a national system of unemployment insurance enacted by parliament as speedily as possible. I was amazed to hear his observations on the subject. He said, "How do you ever expect to amend the constitution? How do you expect to pass an unemployment insurance measure? Are you going to take the word of the premiers of the provinces? Are you going to listen to provincial governments? Are you going to take the approval of legislative assemblies of the provinces, or will you take the word of the electors?" He sought to leave the impression that all of these were necessary before a measure of unemployment insurance could be brought into parliament.

Mr. BENNETT: I did not say that.

Mr. MACKENZIE KING: That was the inference left.

Mr. BENNETT: Well, that is not what was said.

Mr. MACKENZIE KING: I find it difficult to tell what my right hon. friend does say, but I do point out—and I do not think he will deny it—that it was he who, only a year or two ago, introduced a national unemployment insurance bill into this house. He drove it through the house, without asking the premier of a single province what he thought of it. He never asked the members of provincial governments in any of the provinces what they thought of it. He never thought of referring a copy of it to the legislative assembly of any of the provinces.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: He never thought of giving the electorate in any of the provinces a chance to say a word about it, nor was he willing to permit the electorate of Canada to say anything about it. He was determined to jam it through the House of Commons, at no matter what cost—and he did that very thing.

Mr. BENNETT: Surely my right hon. friend knows better than that. He is putting into my mouth words which I did not use. What I did was to introduce and carry through the house a certain measure, on the assumption that the house had sole jurisdiction to act.

Mr. MACKENZIE KING: My right hon. friend, who usually stands behind the courts—and I believe he is right in so doing—would not allow the courts even to look at his measure. He knew that there was a statute which provided that the supreme court might be asked to express an opinion upon matters of that kind.

To-night my right hon. friend has had a great deal to say about the extent to which the provinces have been arraying themselves against the central government. I will tell him where the responsibility for that lies. I tell him that it began during the time he was in office, and because of the methods he adopted while in office. He was the man who in office tried to take the management of public affairs from the control of parliament, and to handle them himself. He was the one who, in the first instance, instituted quasi dictatorship in the conduct of public affairs in Canada. It was he who brought down and put on the statute books the so-called social reform legislation to which I have referred, although he knew, and was told over and over again by the opposition of the day, that he was attempting to deal with something which came within provincial jurisdiction, and that the provinces would so regard it. Notwithstanding that fact, and notwithstanding the position which had always been taken by parliament, he insisted upon putting through the new deal concocted between himself and the then minister to Washington, and did so in large part much against the will and wish of his own party. He insisted on jamming these measures through parliament. That is what antagonized the provinces.

That is what has given rise to a suspicion in the provinces that, so far as Ottawa is concerned, there is a desire to get everything into our own hands. Instead of attempting to do things in that way, the present administration has sought to go about the matter in the only way in which it can be speedily and satisfactorily solved, namely to communicate with the provinces themselves, with the constituted authorities in each province, hoping that they may see the reasonableness of the position taken by the government, and

extend their cooperation so as to enable the necessary amendment to be made to the British North America Act. That cooperation would facilitate the early introduction of the legislation. If it cannot be brought in as a result of cooperative effort between the provinces and the dominion, I fail to see how else it can be done. That is the one and only method, and if that method had been taken at the start by my right hon. friend, instead of his adopting arbitrary action the results might have been different at the end of his term of office.

As leader of the opposition, at the beginning of the parliament over which my right hon. friend presided, I urged him to do that very thing. Had he sought an amendment to the British North America Act at that time, some seven years ago, and had an unemployment insurance measure been then introduced, we might have had such a law on the statute books five years ago. If there has been delay, such delay is due, first of all, to the years of inaction of my right hon. friend the present leader of the opposition, and, second, to the wrongful methods he adopted in seeking when in office to bring such legislation into being.

I now pass on to the next subject mentioned, namely the elections and franchise acts, and the export of power. Here may I say at once that I believe my right hon. friend went out of his way to do something he was not in the least called upon to do. He said he proposed to join these two subjects in what he had to say, and then proceeded to talk about political corruption in Canada. His statement was that he wanted to end that corruption. Well, for five years he had the elections and franchise acts under his control. Furthermore, he put through legislation with respect alike to the franchise and elections. Why did he not at that time put into the legislation those provisions so necessary to prevent corruption, if it was possible to do anything more than was done?

Mr. BENNETT: It is there.

Mr. MACKENZIE KING: My right hon. friend comes along today and speaks as though there were some sinister connection between the desire of the government to amend the franchise and elections acts and the other subject he has mentioned. He knows very well that there is no connection whatsoever between the two subjects. He knows, further, that so far as the franchise act is concerned this House of Commons was committed at the last session of parliament to bring in legislation in accordance with certain recommendations of a committee, and in the light of what it thought was needed properly to amend the act. We are now fulfilling a promise made at the previous session.

My right hon. friend would have the country believe that this has something to do with the export of power, a subject which was not even thought of at the time the government was dealing with the franchise measure. He makes the observation that while out in British Columbia at the time of the recent by-election he heard a clergyman say, or that someone else had heard a clergyman say that he had been paid by the Liberal party to talk over the radio. Well, now we are talking about things we have heard, may I say to the right hon. gentleman that I heard from a number of sources that the Tory party thought they had a good chance to win the seat, until the right hon. gentleman came along and made a speech in which he introduced the trade issue. He said, "This is the issue, and you must decide the by-election upon it." After he had been heard, his supporters threw up their hands and said, "The thing is lost; the other party will carry the day." And that was exactly what happened. I do not know who paid my right hon. friend to go out there to make the speech, but I do know he went all the way from Halifax to Victoria and, by himself, succeeded in losing the seat for his party. There is just as much justification to talk about political corruption in the payment of preachers by the Liberal party in the Victoria by-election as there is justification in talking corruption as respects what my right hon. friend said when he himself tried to preach to the electorate in Victoria.

I do not think that we should copy the Tory party with respect to the management of elections and payment to party funds. My right hon. friend knows that there is no one in this parliament more ready to join him or any other hon. member in seeking to bring about such reform as will make political corruption as impossible as it can be made than myself. I shall welcome and the government will welcome anything that can be done to make it impossible for any man or any party to gain political advantage in that way.

When my right hon. friend talks about the effect of promises and their influence on political campaigns, even in connection with by-elections, he must realize that it takes a long time to untrain the minds of the people with respect to the practice of making promises. I have in my hand Hansard of 1930. I well remember that just after my

right hon. friend came into power it took me a couple of hours to read the promises which he had made from coast to coast during the elections then just concluded. He referred to something being said about a station in Montreal and to one or two other things. I should like to quote from an article which my right hon. friend wrote, signed and had published in MacLean's magazine in 1930 under the heading, "The Election Issues as I See Them." Speaking of stations, here is what he had to say about transportation, one of the many subjects he dealt with in that article:

> We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay route, and the construction of such branches as may be necessary to render it most readily available to every part of Canada; to the Pacific slope by a Peace river outlet, and east and west by the development of the St. Lawrence waterways, and we pledge ourselves to aid existing traffic channels and to increase port facilities on the Great Lakes, Hudson Bay and the Atlantic and Pacific oceans, and to the establishment of a national highway system.

That was only one pledge out of 300 or more of the same order. They were not made in one by-election campaign; they were made in a general election in every constituency in Canada. My right hon. friend had better go back to Sunday school for a while before he begins to lecture this House of Commons on election promises.

Mr. BENNETT: Every one of those was carried out.

Mr. MACKENZIE KING: Those who make promises sometimes find it difficult to carry them out. I do not believe in making promises myself. I agree with my right hon. friend when he says that we should discourage that sort of thing as much as possible, but I say that he is the last one who should try to teach anyone that particular lesson.

My right hon. friend appeared to be critical of the government with regard to the position taken in connection with the export of power. Has the course we have taken been of a character to deprive parliament of control? He says that whatever is to be done must be done by an act of parliament, an act that will pass the Commons, an act that will pass the Senate and an act that will be assented to by His Excellency the Governor General. He is going to get his act and it will help in making effective the control of this parliament with respect to the export of electrical power.

May I say that I think it ill becomes him to bring into a debate on this subject in the manner he did to-night the names of any members of another house.

Mr. BENNETT: It was as officers of the Liberal association.

Mr. MACKENZIE KING: If I wished to do so I might have pointed to my right hon. friend's deskmates who sat on either side of him in past years, and who while members of this House of Commons were treasurers and organizers of his party.

Mr. BENNETT: No.

Mr. MACKENZIE KING: Yes. Organizers and treasurers of his party. And referring to the Senate, what about Senator McRae?

Mr. BENNETT: He was not in the Senate; he was not appointed until after. He declined to have anything to do with the matter.

Mr. MACKENZIE KING: I should like to know since when it has become a crime, political or otherwise for an honest, honourable man to hold the position of treasurer of a political party? I should like to know since when it has been made a crime, political or otherwise, for a gentleman to give his time as president of a party association?

Mr. BENNETT: That is not what was said.

Mr. MACKENZIE KING: That was the insinuation.

Mr. BENNETT: There was no insinuation.

Mr. MACKENZIE KING: I resent it very strongly. I say that it was unworthy of my right hon. friend to make the references he did. I believe that on reflection he will regret having done so. Every one who has had to do with politics knows that no political party can be managed without some of its members performing the duty of treasurers. The fact that a man is made treasurer of a political party is usually a mark of the confidence which his fellow men have in his integrity and honesty. My right hon. friend knows that the position of president of the National Liberal Federation, a body which commands the confidence of young and old alike from one coast to the other, is one of the highest offices of honour and trust a man can hold in this country. It is an office of trust and responsibility, and the fact that a man holds such an office should commend him highly to the favour and regard of his fellow men.

Let me return to what I was saying about the export of power. If this government were seeking to deprive parliament of its control over the export of power, then we might be challenged as to our reasons for so

doing, but the action we have taken has had the effect of reserving the question for a fuller measure of control by parliament.

I shall say only a word about the export of power as the whole matter will come up in full discussion when the bill is introduced. On April 17 last, an application was received from Montreal Light, Heat and Power Consolidated asking for a licence to export a certain quantity of electrical energy. Some of my colleagues and myself were leaving at that time for the imperial conference, and speaking on behalf of the government I stated that it would be impossible for us at that time even to consider the application. The law of the country as it stands gives to the government the right to issue licences for the export of power. The executive has to take the responsibility for granting or refusing to grant a licence, but the authority is there. We would have been taking no new authority to ourselves had we granted a licence to export power. As I have said, I took the position that it was impossible to consider the application until the entire government had had a chance to review the whole situation. I declined, on behalf of my colleagues and myself, to have anything to do with it until we had returned to Canada after the conference and it was possible to hold a meeting of the full cabinet.

An application in due form had been sent to the Minister of Trade and Commerce (Mr. Euler) by the Cedars Rapids Manufacturing Company, a subsidiary of Montreal Light, Heat and Power Consolidated, asking for the right to export 40,000 horse power. That was the application which we had not found it possible to consider prior to going abroad.

Mr. BENNETT: Was that a public body or a private enterprise?

Mr. MACKENZIE KING: For export?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Well, the export was to the United States. I believe it was to the Aluminum Company of America at Massena, New York.

Mr. BENNETT: That is what I understand.

Mr. MACKENZIE KING: At any rate the matter was very carefully considered by my colleagues and myself. On August 14 I replied to a communication which had come formally from Mr. Norris, president of Montreal Light, Heat and Power Consolidated, asking if the application could not be granted. The letter dated Prime Minister's office, Canada, August 14, is as follows:

[Mr. Mackenzie King.]

Dear Mr. Norris:

I wish to acknowledge your letter of August the 10th, just received, with reference to the application of the Cedars Rapids Manufacturing and Power Company, a subsidiary of the Montreal Light, Heat and Power Company, for a licence to export 40,000 horsepower to the United States for sole use by the Aluminum Company of America at Massena, New York.

The representations in your letter have received the most careful consideration of my colleagues and myself. I regret, however, that the government is not in a position to grant the licence, at the present time. In view of the broad question of policy involved and the fact that the export of power to the United States has been debated at length in parliament on several occasions, the government is of opinion that an opportunity should be afforded at the approaching session for a discussion on the subject, before any final action is taken with respect to the application of the Cedars Rapids Manufacturing and Power Company.

Yours sincerely,

W. L. Mackenzie King.

Mr. BENNETT: Perhaps the Prime Minister would file the letter.

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: He can put it on Hansard.

Mr. MACKENZIE KING: I intend later to file all the correspondence we have had with reference to applications for export of power.

Mr. BENNETT: It would make the reply much more clear.

Mr. MACKENZIE KING: Early in November I was waited on in my office by Mr. Powell, president of Aluminum Limited, of Montreal, in company with Mr. Geoffrion, his counsel. They asked if it would not be possible for the government to grant a licence to Aluminum Limited for the export of power. It was practically the same application as the one to which I have already referred. A few days later, a reply was sent to Mr. Powell on my behalf by Mr. Read, the acting Under-Secretary of State in language almost identical with that which I have just read. Mr. Powell and Mr. Geoffrion interviewed me on November 2. Mr. Read's reply was sent on November 12. On November 29 the Hon. Mr. Hepburn waited on myself and members of the government to ascertain whether the Dominion government would grant a licence to the Ontario Hydro Commission for the export of power. All I wish to draw attention to is this, that the government had in August, and again in November indicated in writing its position with respect to the granting of licences. On both occasions it had stated that no licence for the export of power would be given by the administration until after the matter had been fully discussed in this

parliament and the question of policy further and fully considered here. When the premier of Ontario met with my colleagues and myself, and preferred his request, we read him the communication that I have just read to the house, outlined the nature of previous discussions on the subject of the export of power in this parliament, and indicated that, while we were prepared to consider the additional information that he had just then put at our disposal, we could not at that time consider granting the application in view of the government's position as previously adopted with respect to the two earlier applications, and as set forth in the communications to Mr. Norris and Mr. Powell.

Mr. BENNETT: Pardon me, what quantity was involved in the Ontario application?

Mr. MACKENZIE KING: I have forgotten at the moment, but I believe it was 90,000 horsepower.

Mr. EULER: No, 120,000.

Mr. BENNETT: It was 90,000 to 110,000.

Mr. MACKENZIE KING: I shall speak on this question later and at that time give full particulars. What I wish to make perfectly clear to-night is this, that the government had determined and laid down its policy before it had any knowledge whatever that the Ontario government was contemplating applying for a licence, or of the negotiation of a settlement of its differences with some of the power companies. We made and could make no alteration in that policy when the premier of Ontario called upon us. When I told the premier that it was impossible for us to meet his wishes and gave him the reasons which I have given to the house to-night, naturally he was disappointed. My words to him were simply that, as an executive, we were the servants of parliament, not its masters. That is the position which this government is going to continue to take with respect to the export of electrical power from this country. It may be that there are circumstances and conditions which will justify one view or another with respect to what is most advisable as to the export of power. That may be discussed very fully and freely in this house. The words, however, injected by my right hon. friend into this debate which would seek to link in any way the present administration and its attitude towards the export of power with any matter which pertains to the franchise, are wholly uncalled for and wholly unworthy on his part.

The hour is late, but I wish to avoid if possible speaking in this debate again to-morrow. If the house will grant me a few minutes, I shall briefly conclude what I have to say.

Mr. BENNETT: Go on.

Mr. MACKENZIE KING: My right hon. friend has spoken about the international situation. I agree with him whole-heartedly when he deplores much that has taken place in China, the way in which women and children have been treated in that country, and many other of the incidents which have marked the conflict there. I should not confine these feelings to what is happening in China. I also agree wholeheartedly with him that we cannot be too careful at this time of all times, to refrain from doing anything or saying anything which in any way can cause our neutrality to be suspected. These are dangerous times in the affairs of the world. My own feeling is that much of the unrest in our own country, many of those things that we describe as affecting the unity of Canada, are the result of a contagion of ill-will which has spread itself over the globe—inevitably, because ill-will is contagious just as good-will is contagious, and the one can only be offset by the other. It behooves us in this country of ours, blessed as we are in our geographical position, blessed as we are in our neighbours, blessed as we are in being part of the great British commonwealth of nations, to be very careful and very guarded in everything we do and say at this time.

If in some particulars it may seem to hon. members that the government is not going as far as it might go, is not doing some of the things which it might do and which many of us in our hearts would wish to do if we had the power necessary to back up our acts against all possible consequences, let them remember that there are other powers in this world as well as Canada which have great concern in the world situation, that other powers are deeply interested in all that happens in China as well as in Europe, and that if great powers like the United Kingdom, France and the United States think it wisest in the present world situation to refrain from taking some steps which might be construed in a different way than they would wish to have them construed, perhaps we ourselves are not acting unwisely, either in their interests or our own, in being equally cautious. Any one who has followed the attitude of the British government and some other governments towards the situation in Spain must have been impressed with the fact, that time and time and time again these governments have refrained from asserting themselves in an extreme way, lest their action might provoke a still graver situation. They have remained seemingly silent under grave provocation. There are times when it takes much more in the way of courage to remain silent

in the face of seeming or actual insult and injustice than it does to be outspoken and to strike out from the shoulder. These are times when all the restraint that can be exercised by a country, a government or by members of parliament should be exercised. I do hope that, in the course of political discussions in this house during the present session, hon. members will think twice with regard to whatever they may have to say on foreign affairs, and ask themselves whether, in view of the attitude which great nations such as England, France and the United States have thought it wisest to adopt, we ourselves should seek to outrun them and attempt some of the things that go much farther than they are prepared to go.

With respect to the remarks attributed to the Hon. Mr. Bruce, may I say at once that no one regrets more than Mr. Bruce himself does that there should have been by him even so much as a mention of the situation in the orient. He so expressed himself to me, and in reference to the article referred to by my right hon. friend gave a statement to the press which I think ought to be put on record:

> I would not be so indiscreet as to make a statement of that kind. The statement is entirely misleading. It is a misinterpretation of my remarks, although I do not consider that it was done with any deliberate intent.

I talked over the situation with Mr. Bruce, and I believe that, in so far as he may have spoken at all in private conversation with people in different parts of the country or with others, what at most he did was to indicate in some cases what he believed was in the mind of Japan; not that he was giving his view of the situation but that he was seeking to interpret, to those who could not comprehend the situation, what from the Japanese point of view the situation was considered to be. That, I would say myself, might just as well have been left unsaid. I agree with the criticism which the leader of the opposition has made to-night as regards a member of the diplomatic service having said anything at this time with respect to a situation so critical as that between China and Japan. But I do not think that we need enlarge upon it to any extent. I do not believe that the Chinese government or the Japanese government could for a moment think that this country was seeking to take sides in the unfortunate differences which have arisen and the conflict which is in progress. I believe they understand that our decision is to be strictly neutral, to hold ourselves in a position where, if opportunity does offer, and some word of ours can help to shorten the conflict, to minimize the struggle, that word will be given in season and may prove of value.

Mr. Bruce has intimated to me that after the coming summer he would like to be relieved of his position as minister to Japan. When he accepted the position he did so with the understanding that it would be only for a year or two. He took the post to oblige the government. Sir Herbert Marler was being appointed to Washington and it was difficult to find anyone wholly qualified to take his place in Tokyo. Mr. Bruce has an understanding of conditions on the Pacific coast which very few men possess. He has a wide knowledge of affairs. Above all he has a disposition and a nature which can be relied upon not to antagonize those with whom he is brought into contact but to further cooperative effort.

Mr. Bruce has done exceedingly well in Tokyo. Reports from those who have met him, reports from our own people who have been in Japan while he has been there, make clear to me that his service to Canadians in or passing through Japan has been a very real one, and certainly the reports we receive from him have been extremely helpful to the government. It is true that his sight is greatly impaired; but there have been men whose sight has been impaired, but whose judgment has been all the keener, perhaps as a consequence. Mr. Bruce is of that type. He is accustomed to bring about him into conference each day those who are close to him in the legation, and through other eyes and the confidences imparted to him, he obtains, I believe, pretty much all that can be comprehended at the present time by any minister in regard to the situation in the orient.

May I conclude with this one word to my right hon. friend with regard to the advantages of international trade and what he said in his remarks as to the danger of international trade leading to war. As I have already said—

Mr. BENNETT: I did not say that.

Mr. MACKENZIE KING: What was it he said?

Mr. BENNETT: The right hon. gentleman will read it.

Mr. MACKENZIE KING: Let me, then, put in it this way. His advocacy to-night has been of what we may term economic nationalism.

Mr. STEWART: Not at all.

Mr. MACKENZIE KING: I think so.

Mr. BENNETT: Quite the opposite.

Mr. MACKENZIE KING: Did he not say that greater freedom of trade leads to war?

Mr. BENNETT: No, he did not.

Mr. MACKENZIE KING: I think he did, and I believe a good many others in the house think he did. At any rate, a difficulty I find in my right hon. friend's argument is this. When he was speaking of the agreement made with the United States he seemed to want to take credit for the whole agreement.

Mr. BENNETT: No.

Mr. MACKENZIE KING: Oh, yes; and in that connection he was for the moment assuming that an agreement was a good thing. He sought to point out how it had come about as the result of the work he had done before.

Mr. BENNETT: The work the government had done.

Mr. MACKENZIE KING: Well, if this greater freedom of trade is a bad thing, why did his government try to do anything? I think my right hon. friend has let the cat out of the bag to-night. I do not believe he ever meant to put through an agreement with the United States, simply because he believes in economic nationalism and economic imperialism. Had he remained in office, that agreement would not exist to-day.

Does my right hon. friend recall what he said just before he came into office in 1930? Does he recall what he said as to how he would get into other markets? He was not going to take the slow way of seeking entry by agreement into foreign markets. He was going to blast his way into the markets of the world. And now he comes and tells us that this business of blasting one's way into world markets is all wrong. What we need, he now says, is not to get into the markets of the world; we need as a country, to be in a watertight compartment where we can work out our experiments; experiments to be worked out between the Conservative party and its new allies the Social Credit party in the west.

On motion of Mr. Blackmore the debate was adjourned.

It being twenty minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

51952—5½

Tuesday, February 1, 1938

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 7, respecting Industrial Loan and Finance Corporation.—Mr. Vien.

Bill No. 8, respecting Central Finance Corporation, and to change its name to Household Finance Corporation of Canada.—Mr. Macdonald (Brantford City).

CANADA SHIPPING ACT, 1934

CONTROL OF SHIPMENT OF MUNITIONS BY SHIPS REGISTERED IN CANADA

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 9, to amend the Canada Shipping Act, 1934.

He said: This amendment to the Canada Shipping Act sets up machinery by means of which the government can control shipments in Canadian vessels of arms and war materials to belligerent countries if and when such control is deemed necessary.

Motion agreed to and bill read the first time.

CRIMINAL CODE

PROPOSED AMENDMENT RESPECTING OPERATION OF MOTOR CARS

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 10, to amend the criminal code.

He said: This bill deals with motor cars and the criminal code in relation thereto. It is not the same bill as last year's. I think that if it gets a second reading it should go to a committee.

Motion agreed to and bill read the first time.

JAPANESE IMMIGRATION

APPLICATION OF PROVISIONS OF CHINESE IMMIGRATION ACT, REVISED STATUTES, 1927 CHAPTER 95

Mr. A. W. NEILL (Comox-Alberni) moved for leave to introduce Bill No. 11, respecting Japanese immigration.

He said: This bill is very short, containing only two sections. It proposes to place the Japanese nation on the same plane, as regards immigration into Canada, as that occupied by the Chinese during the last fifteen years. It is strictly moderate in its language, is non-provocative, makes no reference to current

events in the east, and I think has the support of ninety per cent of the people of British Columbia.

Motion agreed to and bill read the first time.

NIAGARA RIVER ICE JAM

On the orders of the day:

Mr. T. L. CHURCH (Broadview): As an emergency matter I should like to ask the government a question, notice of which I have already sent to the Minister of Public Works (Mr. Cardin). It relates to the ice jam in the Niagara river. The question is: Will the government take up with the government of the United States and the governments of Ontario and New York state the question of erecting joint regulation works in this river to prevent the recurrence of the abnormal conditions which have recently arisen? The matter is an urgent one because the light and power and transportation of nearly the whole province of Ontario is threatened.

Also, has the minister any ice-breaking plants for use on lake Erie and the Niagara river from lake Erie to Chippawa and Niagara to Queenston similar to that used in the St. Lawrence river? As I say, I sent notice of this question to the minister, but I do not see him here.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The minister is absent; the acting minister is present, but I think the question is of such length that it should be examined carefully before any reply is made. Possibly my hon. friend might wait until to-morrow for a reply.

CANADIAN LOAN IN LONDON

On the orders of the day:

Hon. CHARLES A. DUNNING (Minister of Finance): Before the orders of the day are taken I think that in view of some of the statements made by the right hon. leader of the opposition (Mr. Bennett) yesterday with reference to the recent Canadian loan in London, a statement is desirable in order that the house may be in possession of the facts in relation thereto.

My right hon. friend stated that there was "less confidence in this Canadian loan than there was in the Australian loan"—I quote from Hansard. The facts are that the last Commonwealth of Australia loan issued in London was offered on November 17, 1937. It was for the amount of £11,409,954 and for a term of sixteen years, callable in thirteen years. The coupon was not 3¼ per cent but 3½ per cent, and the loan was offered to the public at 97 to yield approximately 3·75 per cent to maturity.

Furthermore, the underwriters were left with 67 per cent of the issue on their hands, and initial quotations began at a discount of ½ per cent from the offering price.

In contrast, the Canadian government loan was a £10,000,000 3¼ per cent loan, maturing in twenty-five years, callable in twenty years. This 3¼ per cent twenty-five year loan was offered to the public at a price of 98½ to yield approximately 3·34 per cent to maturity. It will be noted that in spite of the much longer term the yield on the Canadian loan was much more favourable to the borrowing government, 3·34 per cent as compared with 3·75 per cent in the case of Australia. It will also be noted that the head of the underwriting syndicate in each case was the same banking firm, R. Nivison and Company.

The right hon. leader of the opposition referred to the fact that forty-nine per cent of the Canadian loan was left in the hands of the underwriters, and stated that "the underwriters did not get forty-nine per cent of the Australian loan." He must have been misinformed. The fact is that sixty-seven per cent of the Australian loan was left in the hands of the underwriters.

Mr. BENNETT: I was not dealing with the same loan.

Mr. DUNNING: Perhaps I should make some reference to certain comments which have appeared in the London financial press in connection with the basis upon which the underwriters of the Canadian loan made their allotments. Subscriptions received by the underwriters would have made it possible for them to allot a larger proportion of the issue than they actually did allot. Apparently, however, the underwriters preferred to limit maximum allotment on any one cash application to a moderate amount, believing that more effective distribution of the new issue and a more stable market would thereby be obtained. As our issue was underwritten, this matter of allotments of subscriptions was the concern of the underwriters and not of ourselves, but I think everyone will agree with the soundness of the general objective which the underwriters apparently had in mind.

I thought it desirable to place these facts on record.

Right Hon. R. B. BENNETT (Leader of the Opposition): If I might be permitted, the Australian loan to which I referred was

not the loan of November. I was dealing with the prior Australian loan which was at 3¼ per cent, as the minister himself knows. I very much regret that the Australian loan of November 1937 is one with which I was not familiar at all. I am very glad the minister has made it clear that the Australian loan of November 1937 was sold on less favourable terms as far as the public is concerned than our own.

But I was going to ask on the orders of the day that the minister make a statement with respect to our loan, setting out what the position was. What he has now said is what I said last evening, that the underwriters saw fit to limit the allotments so that there would not be sales that would depress the market below the three-quarters of one per cent that they received as their underwriting compensation. I think if the minister will look at the Australian figures compared with ours he will see that at the time they did issue their 3¼ per cent loan it was on more favourable terms than ours, but perhaps it is not fair to compare what took place some time ago with what took place later.

Mr. DUNNING: My right hon. friend will understand that I naturally assumed he was comparing comparable things, two issues reasonably close together. In judging of market conditions I assumed he was taking two issues at about the same time.

Mr. BENNETT: I was not aware of the other, unfortunately.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, January 31, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. J. H. BLACKMORE (Lethbridge): We are met, I believe, Mr. Speaker, in one of the gravest years in the history of our dominion. I think the events of the next year will abundantly prove that to be the case. Therefore I believe it is most important that all of us should work together with the greatest possible earnestness, forgetting such matters as political struggles. In the debate yesterday, although the speeches were excellent and amusing and fine displays of parliamentary oratory, there was altogether too much jockeying for political advantage. We should cease endeavouring to gain political advantage at least while we are in this very trying time.

As a case in point of this political jockeying let me mention one instance. The Prime Minister (Mr. Mackenzie King) chose to interpret the remarks of the leader of the opposition (Mr. Bennett) as showing that he was opposed to foreign trade, and he concluded, I judge from his remarks, that the leader of the opposition was in agreement with the social credit group in attaching small value to foreign trade. Now I assume that the Prime Minister was sincere in that remark. If he was he manifested a lack of knowledge concerning social credit, for the social credit advocates have never disparaged the value of foreign trade. All they have done is to urge upon the people that we must not look to foreign trade alone for the complete solution of our problems. Perhaps it would be instructive if I were to read one or two little quotations. I do not wish to read quotations to any extent this year, but since this matter has been raised it is of vital importance that the country should know just where the social credit people stand. First I should like to refer to Major Douglas himself, as the founder of the movement. I am quoting from his book called Economic Democracy, at page 145, where I read these words:

> It must be evident therefore that an economic system involving forced extrusion of product from the community producing, as an integral component of the machinery for the distribution of purchasing power, is entirely incompatible with any effective league of nations, because the logical and inevitable end of economic competition is war.

That was what I understood the right hon. leader of the opposition to contend, and that is our contention. Trade, of course; if we have a surplus of wheat and another country has a surplus of bananas, of course trade the surplus of wheat for the surplus of bananas. But if the people producing apples wish to trade their apples for our beef; if we already have apples and we not only refuse to accept their product but go into the world market and endeavour to displace their product with our apples, then we put them in a position which ultimately will lead to war. There can be no question regarding that.

In order that everyone may see that this belief is held by the Canadian social credit movement let me quote a statement of the Douglas Social Credit Bureau of Canada, with headquarters in Ottawa. I am not saying that this organization is identical with the one which I represent, although I see no difference between the two. I am merely quoting what is

said here. This statement is issued under date of February 1, 1938, and bears exactly upon the situation under consideration:

> Under a social credit administration foreign trade would be distinctly encouraged but the transactions between countries would be balanced. There would be no need for the so-called "favourable balance of trade." Imports to Canada would be a distinct advantage, for under social credit adequate purchasing power would be distributed to enable Canadians to purchase the imports, thereby increasing the standard of living and diversifying the products available.
>
> Imported goods are, so far as real wealth is concerned, equivalent to goods produced by home industry and exported goods are equivalent to goods consumed.
>
> Under existing conditions one nation can only expand its foreign market at the expense of other nations; and as an expanding market is, under the present system, a matter of life and death for all nations, the ensuing scramble for markets inevitably culminates in war.
>
> Ralph L. Duclos, President.

I believe, Mr. Speaker, that these extracts sufficiently clarify the position of those who believe in social credit with respect to trade, and I maintain that any attempt to misrepresent to the people of this country the meaning of the contentions of the followers of social credit is an action distinctly contrary to the interests of Canada. If we want the truth—and as the Prime Minister very well said, we do want the truth—certainly that is not the way to get it. I support both those statements, without making any statement myself with regard to trade, except that I endorse the remarks and the sentiments contained in those two excerpts.

Perhaps I may be just a little more truculent than usual because for two years in the province of Alberta we have experienced the most deliberate, the most malicious, the most unjustifiable attempt to drag all sorts and kinds of red herrings across the path. Anything and everything that could be done to deceive the people has been done. No attempt at all has been made to give them the truth. We may laugh about that, but that is the fact, and it can be verified over and over again. I am not going to bring up any unpleasant matters this afternoon, but that statement stands. If we want the truth there is a way to get it. I cannot recall the exact words used last night by the Prime Minister but, as he said, the truth will stand and it is the truth we want.

An hon. MEMBER: How about the twenty-five dollars?

Mr. BLACKMORE: That is another bit of it. Isn't that a brilliant attempt to get the truth?

I was impressed with the remark of the leader of the opposition with regard to righteous elections. I believe that statement, although it was not pleasant, raised a question which the people of this dominion must settle, or, as the right hon. gentleman said, our very national existence is endangered. What do we mean by democracy? Do we not mean an appeal to the people so that the people, informed, intelligent and calm, may through their ballots express a considered opinion as to the policy which the government should follow in carrying on the affairs of the country? Is that not what we wish? All we need do is just think of what has been done in far, far too many constituencies throughout this country, in order to realize that the policy pursued by both the old line parties has been diametrically opposed to that, the object being under all conditions to deceive the people and confuse them so they do not know what it is all about.

I come from a province, Mr. Speaker, where we have grappled with this problem with great earnestness since 1921. In that year we commenced to fight our elections with the nickels and dimes of the people. The social credit victory in 1935 was won almost with the very lifeblood of the people, and since those sacrifices were made by poor, suffering men and women, in order to get a government which would represent them, we have had attempts made to override the will of the people by the most despicable forms of deception. We know what democracy is. We started this thing in 1921 and we have continued it even to the present time. Every cent that is used to fight a social credit election in Alberta comes out of the pockets of the poorest people in the province, fighting earnestly for the right to live and believing still in the principles of democracy.

The propaganda which has gone on and is going on to-day in the province of Alberta is a standing disgrace to the people of this dominion. I say that without fear of any kind of successful contradiction. We are seeing perpetrated upon the people of that province and the people of the whole dominion a monstrous iniquity. Somewhere there is a solution to our problems. Do you know where the solution is? If the answer were to be given from your own soul it would be, "No, I do not; I wish to heaven I did." How are we going to find that solution if we persist in discrediting everyone who comes forward with a new idea? Political trickery has been resorted to. I had not intended to mention the subject. However, the right hon. the leader of the opposition raised the question, and I believe I should make some observations. Out in our province there exists a government duly elected by the considered thought of the people of Alberta. Every

conceivable device has been exercised to prevent that government from doing what the people put it there to do. This summer there was formed a despicable organization called the People's League, very aptly called by Premier Aberhart the people's slavery league. That is exactly what it is. In that league were participating the Liberal and Conservative leaders of the province. In it were found some leaders in the United Farmers of Alberta group, and some others. There is no gainsaying that fact; there it is.

At least partially as a result of the operations of this organization Mr. E. L. Gray was elected in Edmonton as a representative of the People's League. Then they turned to the provincial constituency of Lethbridge, and by a sufficiency of red herring dragging, and the exercise of other devices beneath my notice, they succeeded in electing another People's League candidate. Three days following his election Mr. E. L. Gray, on behalf of himself and the Liberal party, withdrew from the combination. He was completely disgusted with its behaviour. However they had succeeded in electing two men, and the elections were noised across the country as evidence that the Aberhart administration was losing the confidence of the people of Alberta.

I ask any fair minded man or woman in the house, and I realize that all hon. members could be so classed, if he or she regards that as decent procedure in Canada. Is it in accordance with what you consider sound behaviour on the part of men who pose as the leaders? That is all I ask; you need not answer it, but just think it over.

May I now proceed to mention some misrepresentation which took place last night. I shall not say it was deliberate; I am almost certain it was unconscious. However there was at least the intimation, or something which gave me the impression, whether the Prime Minister meant it that way or not, that he attributed the unrest in Canada, in which five of our majestic provinces have participated, to ill will which exists in other parts of the world. He has suggested that that ill will has come into our country and that we have become contaminated with it. Well, that may be a good political move, but in my judgment it is as far from the truth as it could possibly be. I shall not say it was a deliberate misrepresentation, but I must say that it manifested a great lack of consideration.

Before dealing with this matter at greater length may I refer for a few moments to the kind words used by the leader of the opposition in advocating some of the avowed principles which we hold dear.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: No doubt there may be a good deal of merriment in that connection. There was a time, however, when the principle of the abolition of slavery in the English speaking world was laughed at. They laughed at that time, just as hon. members across the chamber have laughed today. Because there were men and women who stood out sternly and self-sacrificingly through the years in the defence of those principles, they finally prevailed. The same is true with respect to the secret ballot, and in connection with many principles which today we value and prize, and which make our democratic institutions both beautiful and hopeful. So it is with the principles I put before the house. The day will come when all will recognize that, absurd as they may seem today, those principles are sound.

I know not why the right hon. the leader of the opposition made the statements to which I have referred, but no matter why he made them I wish to thank him for them. If he has come to see the light, it is greatly to his credit. I wish to give credit where credit is due.

Before commencing a discussion of the causes of the strains and stresses which are so painfully manifested in the dominion I should like briefly to deal with the question of recovery. Speaking generally I find it beyond my power to comprehend why men as intelligent, thoughtful and well informed as hon. members sitting opposite can be satisfied with such specious reasoning regarding recovery. I was positively amazed to hear some of the observations made yesterday, and especially when one can find from any informed source a complete confutation of every statement that was made.

For example, there is not one of the South American republics which has not had as satisfactory recovery as has Canada, and during the very years in which the Liberal administration has held office in this country. The little country of Chile, which was looked upon as the most hopeless spot in a hopeless world, after the crisis of 1931, has had a phenomenal recovery. Was that because the Liberal party were in power in Canada? Let us be at least careful. Let us spend our time at something profitable. Let us face realities.

According to the best authorities the reason for recovery was the very rapid increase in rearmament. Around fifteen billions of dollars

is being poured out to-day by the various nations of the world, and the demands for raw materials which can be turned into war machinery are tremendous. Those demands have melted or, shall we say, unfrozen the great masses of goods which were waiting for buyers. As a result of that change the countries have felt free to lower their tariff restrictions and to begin to trade. There can be no successful contradiction of that statement. I could quote authorities which could not be disregarded by any person who has any interest in his reputation for accuracy. I could quote authorities in our own country. We could turn to the report of the 106th annual meeting of the Bank of Nova Scotia held recently, which was published in the Ottawa Citizen of January 28. There it is stated clearly that the recovery was due to rearmament, and that it is general throughout the world.

How in the world can men arrogate to themselves or to their party complete credit for the achievement of something which is world wide. In the same report there is the statement that to a great degree economic conditions in Canada are dependent upon those in the United States. Witness recently the depression in Canada, and the recession which began in the United States on August 15. To say that one political party in Canada has solved an economic problem, and caused recovery, is reckless and beyond excusability.

Then, there is a further difficulty which has to be considered. I value optimism. We could not live without it; but let us be careful of our optimism. Around us to-day there are signs of recession. According to the figures which I have, already in the United States thirty billion dollars worth of wealth has been swept away. In Great Britain we find that between November 15 and December 15, 1937, unemployment was increased by 166,204. Notwithstanding that their armament preparation race is at its height and their re-housing program is under way, there were 90,000 more unemployed in December 1937 than there were in December 1936. There is a reason for this increase in the number of unemployed; let us try to find it. Some may say that the occurrence was seasonal, but such is not the fact. In 1936, from November 15 to December 15, there was an increase of 30,000 in the number employed, but for the same period in this year we find a decrease of 166,204. Any one who desires to be at all judicious must bear these facts in mind before he rushes to make any reckless conclusion. Evidence of this statement may be found in the Christian Science Monitor of January 22, at page 9.

What was the cause of the recession in the United States? I am not going to take the time to discuss the matter at any length, but I should like to direct the attention of such hon. members as may not have noticed it to the October, 1937, letter of the Royal Bank of Canada. There they will find a well-developed analysis of the situation by a careful thinker. He shows that whereas in 1936 the President of the United States put that country into debt to the extent of $4,500,000,000, scattering the money around generously through the WPA and CCC programs, yet increasing the purchasing power of the people, in 1937 he changed his policy considerably. In that year he went into debt to the extent of only $1,500,000,000, and the result was the beginning of a depression the end of which no one can see. Does that not show that the secret of recovery or of avoiding depression is the spending of money? About half way down in the second column of his letter this gentleman sets forth this principle. I shall just quote a few words out of their context, but the meaning is as I have given it. He states:

> It would seem that the government will be compelled to increase its spending or, as an alternative, to permit a decline in national income.

Where will the government get the money to spend? If it must borrow that money, then it will be creating a disaster because the debt is already beyond the power of the people to pay under the present economic system. How can the United States ward off a fall in the national income in the midst of the greatest era of prosperity this world has ever seen? That is the problem we are facing, but I am going to leave it at that.

There is another matter which I think should be considered carefully. Last year I supported the government in its move to rearm for Canada's defence. I am confident that that was a wise move and I think the evidence is that we were sound in our judgment. I did not take the occasion to point out at that time to the house that I am unalterably opposed to war. I did not point out that I believed that some time we are going to have the fulfilment of that great scriptural passage wherein the prophet says:

> —and they shall beat their swords into ploughshares, and their spears into pruninghooks: nation shall not lift up sword against nation, neither shall they learn war any more.

If the time has not come when we can do that, when do hon. members of this house think it will come? How can we do it, is

the question. I maintain that the right hon. leader of the opposition (Mr. Bennett) was on sound ground when he said that our trade policy is provoking war. I urge hon. members not to become disgusted with that statement before they hear the reason why it is made. It will be noticed that we are exporting a great deal of war material. I do not intend to argue the soundness or unsoundness of that policy, but I do want to say that the people in my part of the country are very averse to that sort of thing. I cannot, without the greatest revulsion and horror, think of sending lead to Japan in order to make bullets with which my sons may be killed. Even the most callously inured to these things must be incensed at that sort of thing. To name only a few of the most vital materials used in the preparation for war, let me direct attention to the fact that we are exporting aluminum, copper, lead, nickel and zinc. Our exports to Japan in 1936 and 1937 of these materials were as follows:

	1936	1937
Aluminum	$1,494,039	$3,458,321
Copper	56,710	714,720
Lead	3,140,296	4,297,536
Nickel	1,223,677	4,053,712
Zinc	1,099,737	1,169,799

When I consider that every dollar's worth of that material is helping the Japanese to destroy the Chinese I fail to be warmed with any enthusiasm when contemplating that increase in our trade.

Here is another thing which I believe hon. members will find interesting. I intend to spend most of my time in discussing this matter because, after all, it is dear to my heart. I am not a pacifist in the sense that I want peace at any price. I realize that we must have some defence, but I realize also that there are fundamental causes of war which people of our intelligence should be able to discover. An effort should be made to remove these causes but we probably do not realize what they are.

Let us consider why Japan is attacking China. The information I have is up to date as far as I have been able to find out. The area of Japan is 150,000 square miles and her population totals 70,000,000 people. She has 2,900 people per square mile of area. Hon. members of this house need only think of what it would mean to have 2,900 people for every square mile of their constituencies. Then take Great Britain, with a population of 2,200 to every square mile; or China, with 1,300 people to every square mile.

Mr. BENNETT: Or Belgium.

Mr. BLACKMORE: I have mentioned only three. The figures I have quoted give us a picture of the conditions Japan is struggling against, and I am going to ask hon. members now, frankly: Can you see how in the world international trade is going to help Japan—the kind of international trade that we are getting? Just let us see.

The resources of Japan comprise the following, and all this has a bearing on the question: Japan has small coal deposits; considerable iron ore, of a poor quality; some copper, and some water power, about one-fifth of the amount Canada has. She cannot send her people abroad, so that emigration is no solution for her difficulties. What is her solution? Manifestly, she must import raw materials, manufacture them and sell the finished products in the markets of the world. We know—we have the figures brought to our attention—at what ridiculous prices Japan has been able to sell her products abroad. For example, she can sell at as low as $6, a bicycle that we would sell here for $50, and she is doing that in an attempt to get into world markets. We have raised tariff barriers against her. "Very well," the free traders will say, "that is where our trade will come in." Yes, but wait a moment. When these Japanese bicycles come to our shores, it is found that we are already manufacturing bicycles, and instead of lowering our tariffs to admit bicycles we raise our tariffs to keep them out. The result is that Japanese have turned from us in desperation, and that has gone to the point where it has maddened the people of Japan.

Here are figures which I have found astonishing, of Japanese imports and exports, showing that her balance of trade has been getting rapidly worse since 1931. Taking 100 as a basis for 1931—these figures will show her difficulty in maintaining a balance of trade in her favour—the index figure stood at 89 in 1932, 83 in 1933, 73 in 1934, 71 in 1935, and 68 in 1936. It was time Japan did something, was it not?

I am going to ask frankly, what were we doing to help Japan? In the light of what I have quoted from Major Douglas, and the Ottawa Social Credit Bureau, I ask what were we doing to help Japan? If we were not consciously courting war, we were certainly doing it unconsciously. The figures I have quoted mean that in 1936 Japan had to give for the same quantity of imports, 47 per cent more, in quantity of exports, than she gave in 1931. Now we see why the right hon. leader of the opposition says that our cut-throat competition will cause war.

My time is rapidly expiring, but before I sit down there is one extremely important

point upon which I wish to touch, and that is the causes of the strains and stresses. I shall not have time to develop this subject at any length today, but in future discussions I am going to rise and lay before you, my fellow-Canadians, as an advocate from the province of Alberta coming here to plead in the interests of justice before the high court of parliament, the reasons why we are forced to make these strains and stresses that we are making—and they have nothing to do with ill will against any other country, I can tell you that.

In the first place, this government has not removed poverty. I am not saying that under the existing financial structure they could do any better than they are doing. In fact, I am pleased with the progress this government has made under the existing financial structure. But I say that your financial structure is wrong, fundamentally wrong, and you will never solve your problems until you change that financial structure, whether you think so or not.

The possibilities which we have at the present time make it a disgrace to us to consider the continued existence of poverty in our midst. Take the Brookings Institution discoveries. It has found that in the peak of the boom in the United States, the people of that country were able to buy only eighty per cent of the productive capacity of the United States. Now, will any member of this house, who thinks he knows, tell us why that was? Without any addition to their industrial equipment or any addition to their labour, they would have been able to increase their production thirty per cent. Will anybody who thinks he knows tell us why they did not do it? You only need to become aware of these things and the very blood in your veins begins to boil.

A similar condition existed in Canada. There is no question about the facts which I have given from this report. Our wage level is a disgrace considering our opportunities. In 1935, according to Mr. Horace L. Seymour, B.A., B.Sc., writing in the Canadian Unionist for November, 1937, sixty per cent of the Ontario workers receive less than $900 a year. Keep that figure of $900 in mind until we get some more facts and see how it makes you feel about the way your province and your dominion is being managed. The United States government, on July 11, 1937, issued to the press a report in which it was set forth that a family of four in the United States required $30 per week, if they were to live decently. Now living conditions in the United States are easier than they are here.

Mr. SPEAKER: Order. The hon. member has exhausted his right to speak.

Mr. BLACKMORE: Just one more remark, Mr. Speaker, if the house will permit me.

Some hon. MEMBERS: Go ahead.

Mr. BLACKMORE: The United States government made the statement that in order to live decently at all a family required $1,250 a year. All you need to do is to think of the contemptible pittance you are giving your unemployed; think of the disgracefully low income which your people are receiving for their work; think of the starvation income upon which your farming population has to live; and then you will see what I contend without any fear of successful contradiction, that your standard of living is far lower than it needs to be.

I am going to say only one thing more in closing. I am leaving out a great deal that I had intended to say, which I shall have to leave for another occasion. Here is a man you may not agree with. Here is Professor R. F. Irvine, M.A., for twenty-five years professor of economics at Sydney university, Australia, an orthodox professor of economics, and he solemnly uses these words in 1933:

> I believe that the principles put forward by C. H. Douglas are not only sound, but that they provide the only practical way of escape from the tragic fate which otherwise awaits the whole of western civilization.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I heartily concur in the protest of the last speaker (Mr. Blackmore) against the shipment of materials of war from Canada to Japan, and we shall take an early opportunity of bringing this matter before the house.

I shall not attempt to follow the arguments advanced in the Prime Minister's lengthy speech; I am afraid it would take more than my forty minutes to correct some of the implications of his statements. He assumes that revenue is an index of prosperity; I suggest it may be only an indication of oppressive taxation. He assumes that the total production or national income means the general welfare; it may mean simply the opportunity for the wealthier to become still more wealthy. He assumes that the total volume of trade is an indication of national greatness; it may simply show how thoroughly we are being exploited.

I agree heartily with the wording of the amendment as proposed by the leader of the opposition (Mr. Bennett). I should like to congratulate the Conservatives on their seeming conversion; possibly our efforts throughout the years have not been altogether wasted.

The speech itself seems to run true to form—Liberal form. There is very little constructive legislation adumbrated. We are told that there is to be sought an amendment to the British North America Act to enable the dominion government to enact a national scheme of unemployment insurance. But why should we not ask for an amendment that would give us the right to amend our own constitution in any way we may please; or better still, why not assert that we have such a right? Where are all the fine phrases of the imperial conference of 1926? You will recall this language in reference to the self-governing communities:

> They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown and freely associated as members of the British Commonwealth of Nations.

After all that, we are going, cap in hand, asking that we may be allowed the right to amend our constitution in one particular. I hope that some day in Canada we shall acquire a little bit of dignity. I wish the Minister of Justice (Mr. Lapointe) could have given a lead in that direction.

I was almost hoping that we might have had in the speech some reference to safeguarding the civil rights of our people. Very shortly before the close of the last session I brought to the attention of the government the serious curtailment of our civil liberties through the so-called "padlock law" of Quebec. I may say that our worst apprehensions have been realized; for between November 9, 1937, when the law was enacted, and January 27, 1938, the act has been applied some fifty times. Let me show what that means in the individual home.

A few days ago I had a personal letter from a friend of mine whom I had known many years ago in the west when she was engaged in social service activities. She wrote telling me that her home had been raided by the provincial police. I quote a paragraph:

> They didn't get any of the works of Marx or Lenin but they took your biography and a number of social research pamphlets. They also took a book on Spinoza written by a young Columbia professor whom I know, with his autograph in it, so I'm afraid Mr. Duplessis and his friends are not up on the fine points of the Labour movement. Among other subversive literature they took a copy of the magazine "Time" which happened to have Leon Trotsky's picture on the back of it and another dangerous bit they got was a copy of "Current History." I was able to rescue a book on the South Seas by Robert Louis Stevenson and also a novel by Dostoyefsky.
>
> They found a book of German Fairy Tales and were quite surprised that we could read Yiddish.

Apparently the provincial police had confused German and Yiddish. This is simply typical of the class of literature that has been seized in recent months in the homes of Canadian people in the province of Quebec. I have here a list which I will not take time to read. I ask, have we no right to expect that the government of Canada will protect its citizens? I called attention on March 30 to this situation. Let me read a summary of my position. I said:

> I would ask in closing: What might we expect from the Minister of Justice in a Liberal cabinet? First of all, I think a declaration that the Quebec act is ultra vires and as illegal as a sit-down strike. In the one instance the minister undertook to interpret the law; why should he not do so in this much more important case?
>
> Second, we might expect a statement that there are legitimate means of protecting Quebec against lawlessness and violence. We have that, as I think he will tell us, in the criminal code. . . .
>
> Third, there should be the emphatic assurance that the resources of the dominion will be used to protect the rights and liberties of all Canadian citizens—even in Quebec. . . .
>
> Fourth, I suggest that the minister should assure us that there will be a reference to the supreme court in order that we may know what rights we have. I point out once more that such action was taken by the government in respect to certain social security measures. Surely similar action might be taken in the present instance.

What had the minister to say in reply? He pleaded that the bill had not come formally before him. Surely he cannot any longer make that plea. Secondly, as regards disallowance as a possible course of action, he said:

> For many years the power of disallowance has not been resorted to by the government of Canada. . . .
>
> I would not say the same condition would apply to provincial legislation, but it has often been stated by the courts that within the sphere of their own jurisdiction the provincial legislatures are sovereign. I do not think that in a federation such as this the power of disallowance could easily be exercised by the central government. I believe the provincial legislatures feel that they are still supreme and sovereign within the sphere of their jurisdiction.

Since that time the power of disallowance has been exercised by the dominion in the case of Alberta. If it can be done with respect to Alberta when it concerns financial

measures, why not with respect to Quebec when the matter concerns the liberties of the citizen? The minister goes on to say:

The hon. member suggests that there should be a reference to the Supreme Court of Canada. As I have said, I was surprised to hear him make that statement, because he criticized the government for having referred to the Supreme Court of Canada acts of our own parliament; now he wants us to take an act of the legislature of Quebec and refer it to the supreme court. All I can say with regard to his suggestion—and the hon. member certainly does not expect me to say more—is that it will receive the most serious consideration.

Well, there have been some eight or nine months for consideration, so I should like the Minister of Justice to take an early opportunity of informing the house what action the government propose to take to safeguard the interests of our citizens in the province of Quebec.

With regard to the economic situation, the speech from the throne says:

It is gratifying to note that, during the past year, there has been a further substantial advance in Canada's economic recovery.

I suggest that that sounds very much like the echo of a bank president's annual address. The yardstick used is the same, that is, increased resources and expanding trade. I should like to suggest that prosperity in Canada is very spotty indeed. There are many of our communities that have not experienced the slightest return of prosperity. It is unfortunately my duty to present the darker side of the picture. The position of my own constituents, which is that of vast numbers of people throughout the country, shows that there is anything but prosperity at the present moment. Take the case of my own city of Winnipeg. We in the west have recently had to prepare some statistics in regard to this matter, so fortunately the facts are available. I quote from the submission of the city of Winnipeg to the royal commission on dominion-provincial relations:

Up to the end of 1936, property abandoned by the former owners and reverted to the city through tax sale procedure was valued at $7,500,000, and represents over 33 per cent of the area of the city. In addition properties valued at $6,400,000 have been sold for tax arrears, but have not yet come into the city's hands.

Or again:

Many properties in good condition have been demolished by the owners in order to escape taxation. These include residences of the class which may be termed the mansion type, amongst which were the former homes of such well known citizens as Sir Augustus Nanton, Sir William Whyte, Sir Daniel McMillan, the Honourable Robert Rogers, and so on. A number of other houses of the same type have been abandoned by the owners and are now owned by the city. In addition many business properties have been torn down including the former Hudson's Bay departmental store on Main street, occupying half a city block. It is also significant that title through tax sale proceedings has or can be taken to many valuable business properties situated in the very heart of the city, including Robinson's department store, almost at the corner of Main street and Portage avenue, the Forum block, the Walker theatre, the Playhouse theatre, and many warehouse and other properties. Each of these properties have been at one time valued at over $100,000 at least, and some of them at very much more.

Or again:

Salaries and wages of all employees, including teachers, have been reduced on the average by about 15 per cent.

Or again:

Many essential services, including street maintenance, the provision of adequate fire protection equipment, etc., have had to be neglected. The amount expended in 1936 for those services fell short of normal requirements by at least $300,000.

Or again:

The Bank of Canada report finds that there is not now available, for either the city or the province, new sources of revenue through taxation.

And again:

The Bank of Canada in its report on the finances of the province made early this year states that Winnipeg on account of being the chief urban centre of the west has been called on to bear a disproportionate share of the relief burden. The report goes on to say that eighty-four per cent of all direct relief expenditures in the province have had to be made in Winnipeg and suburbs. An analysis of Winnipeg relief cases made some months ago showed that of 6,837 families on relief 959, or fourteen per cent, had come to reside in Winnipeg since 1930.

And again:

The city has thus not only exhausted all sources of revenue, but has also reached the limit of its capacity to borrow for relief purposes, and unless aid is immediately forthcoming from the dominion or provincial governments, a major crisis will be inevitable at the end of the year.

These are serious statements, coming from the city of Winnipeg itself. As hon. members know, western cities do not like to advertise their poverty. Alderman E. D. Honeyman a few weeks ago—someone prompts me that he is a Liberal, but I was speaking of him in his capacity as alderman—speaking in committee of the whole of the legislature of Manitoba, stated that there were 5,000 families on relief, that eighty-five per cent of the cases were willing to work. I was not so greatly moved yesterday when I heard the

Prime Minister speaking of all the schemes the government has set up to help the unemployed. Of course these schemes are doing something, and I welcome them as far as they go, but they do not begin to touch the fringe of the unemployment problem in this country. I repeat that in my own city there are 5,000 families on relief, and I may say that 1,000 of these are recent arrivals in the city, many of them from farming districts. And eighty-five per cent of the cases were willing to work. I should like the Minister of Labour to take an early opportunity of explaining a situation of that kind, and bringing forward some adequate provision to meet the immediate needs of the unemployed. It is not sufficient to say that there are fewer unemployed now than there were a year ago; that does not help those who are to-day in the bread lines.

Again let me give a few facts with regard to the rural part of my own province. I fancy that people in the east have not yet realized the condition of the rural west. I quote again from statistics given in Manitoba's case as presented to the royal commission on dominion-provincial relations. For the year ended June 30, 1937, it was estimated that there were 868 school teachers in Manitoba in receipt of a salary under $500 per year. These represent twenty per cent of the total teaching force of the province and forty-two per cent of the rural teaching staff. School inspectors report rapid deterioration in school buildings owing to inability to finance repairs. They also report deficient equipment in a large number of schools. At the present time, mainly for financial reasons, 237 school districts are being administered by official trustees, and these districts have been operated on the average only 100 days yearly. In dealing with the municipal financial situation it was submitted that land, the main source of municipal taxation, could not bear any further burden of taxation.

The effect of this condition on individuals is indicated in another section of the same report. Surely matters of this kind are of as much importance as the fact that we are assuming a high position among the nations in the total volume of our trade. What are the social effects of the present situation throughout the province of Manitoba with respect to individuals?

(1) Incomes have declined to a point below the average for Canada; and net profits from private enterprise in agriculture, except in the last two years, have in many cases disappeared;

(2) For large numbers of our citizens, private indebtedness has been found too heavy to be borne, necessitating the continuance of debt adjustment laws by the provincial government and of the Farmers' Creditors Arrangement Act by the dominion;

(3) For many taxpayers arrears of taxes are beyond their capacity to pay;

(4) Production of agricultural products by farmers has been maintained largely by drawing upon capital reserves, by permitting heavy depreciation in equipment, by dispensing with all but a minimum of hired labour, by a large degree of dependence upon family labour, and by a distinct lowering of living standards;

(5) To many individuals opportunity for employment has disappeared; a long repetition of disappointments has brought discouragement, loss of hope of improvement in economic conditions and the acceptance by some of radical views which find expression in various forms of political protest, in the hope that a change might bring about better conditions.

Again let me remind hon. members that these are by no means irresponsible statements. I think they may be taken to represent the facts of the situation.

At this time I shall not go into the proposals that the government of my province make with regard to the provincial debt and interest burden or with regard to the allocation of responsibilities as between the dominion and the provincial governments. I pass on for a moment to the question of unemployment, and in view of the facts that I have related with regard to my own city and province, which might be supplemented by the facts with regard to unemployment in other provinces, I ask what effective action is being taken by this government that has been in office now for two or three years. The other day I came across a pamphlet entitled The Voice of the People, a reprint of the statements issued to the press by Right Hon. W. L. Mackenzie King on the night of the general election, October 14, 1935, and issued by the National Liberal Federation of Canada, 114 Wellington street, Ottawa. I quote:

To-day's election discloses that the people share the view which the Liberal party has all along maintained, that unemployment is Canada's most urgent national problem.

It was the pledge to deal with unemployment, according to the Prime Minister's own statement, that elected the Liberals to office. A few weeks ago we had the interim report of the national employment commission, which recommended that the primary responsibility for the relief of distress should remain with the municipal authority and/or the province. So here, after two years, it is a case of "as you were." Back again goes the responsibility upon the provinces and municipalities which, as far as the west is concerned, are absolutely unable to carry those burdens. Forgotten seems to be the "work

and wages" program. Even relief is now considered as primarily a municipal or provincial program. Of course it may be said that this is simply the report of a commission and that it need not necessarily be the policy of the government. I hope that may prove to be true, but I very much fear that a report by a commission along this line will be considered to have absolved the government from directly undertaking the burden of unemployment and relief.

The problem is still acute. I shall not take time to read the figures, but I would point out that according to the interim report of the national commission, relief for unemployment can come only through measures that involve dominion government action. I give several points mentioned in the report:

> In fact, the stage was in considerable measure already set for recovery since stocks of consumers' goods and raw materials had fallen to normal, or were well on the way to becoming normal;
>
> Community savings had again accumulated and capital was beginning to press for investment;
>
> Banking policy had resulted in low interest rates;
>
> Abandonment of the gold standard had put the Canadian dollar on a more or less comparable basis with that of its competitors in the production of goods for export;
>
> An increase in the price of gold and the discovery of new gold mining areas was proving a stimulus almost equivalent to that provided by an entirely new industry;
>
> An accumulation of obsolescence in plant and equipment was becoming increasingly evident.

May I point out, Mr. Speaker. that these are factors that do not come under the control of the provincial governments. They come under the control of the federal government. I am not now saying that the Liberal government is wholly to blame for this situation; not at all. I think the former government was very much to blame, especially in the case of the gold standard, but I do say that the recognition that these are factors that enter into the unemployment situation is clear evidence that the dominion government cannot escape responsibility with regard to the question of unemployment.

There is a very interesting passage that occurs in another section of Manitoba's case, in which reference is made to the effect of federal monetary policy on western Canadian economy:

> To the seller of goods abroad, however, there are two factors that determine the price the seller receives for his production. These two factors are: first, the price of goods in the foreign import country, and, second, the rate of exchange. The rate of exchange is equally important in determining how much that price yields him in his own country.

[Mr. Woodsworth.]

In a preceding section I find this passage:

> —the annual income to the grain growers of Manitoba upon their grain exports was $6,000,000 less than if the Canadian dollar had been kept in line with the Australian pound.

I submit that keeping the Canadian dollar in line with the Australian pound is not a matter than can be affected by any action the province might take. It is a dominion affair, and the effect of a wrong policy on the part of the dominion government has tended to worsen conditions in the west. Hence I think the dominion government is clearly responsible.

Let me make one other reference from Manitoba's case, and that is the effect of the federal tariff policy on western Canadian economy. It is very strange, Mr. Speaker, that it should fall to me to present this phase of the matter to a Liberal government. I should like to know why the Liberal members from the west are not doing it. I hope they will take an early opportunity to present this phase of the case, because remember, this Manitoba case is in effect presented by a Liberal government—a progressive Liberal government, if you like to call it that. I would hope that the case for the west with regard to lower tariffs would be backed up by the western Liberal members.

There are one or two passages in the statement that I should like to present. The right hon. leader of the opposition quoted the Minister of Labour. I shall not further embarrass him by quoting anything he said with regard to Nova Scotia. However, I shall quote the following from Manitoba's case:

> The following tabulation brings together the results of our detailed calculations by commodity groups of the estimated increased cost per farm in western Canada due to tariff on imports from the United States:
>
> | | |
> |---|---|
> | Automotive equipment and fuel. .. | $ 27 19 |
> | Machinery, implements, etc. .. .. | 18 45 |
> | Building material.. .. .. | 7 16 |
> | Household equipment and furniture | 12 00 |
> | Clothing.. .. .. | 24 41 |
> | Food.. .. .. | 20 57 |
> | Total.. .. .. | $110 38 |
>
> There are approximately 290,000 farms in the three prairie provinces and we have estimated the added cost per farm per year as roughly $100. Therefore, the total added cost borne by western farmers is 29 million dollars per year.
>
> The weight of this burden may be judged by the following comparisons: The total municipal and school tax burden in western Canada was 44·5 million dollars in 1933. This figure includes city, town, and village taxes. It is no exaggeration to state, therefore, that the cost of the tariff, to farmers only, is equal to what the whole population of western Canada now pays to maintain local government and education. The Searle Index calculates the average real property tax on western farms at $69.85, which, if compared with our estimates of an

added tariff cost per farm of $100, indicates the relative weight on rural life of local taxes as compared with the burden of national tariff policy.

I would urge that it is high time that we no longer allow matters of monetary and tariff policy to drift, when they affect so adversely large sections of our community.

As I look over the speech from the throne I can find no indication of anything along new lines which would materially affect the welfare of the great masses of our people. To me that is the most serious aspect of the situation. Apparently we have gotten into a rut. Comfortably situated in Ottawa, we seem to be content to go over and over great masses of figures. We do not realize what they mean in terms of human welfare and human suffering.

A short time ago I came across a report in the New York Tribune of an address on the constitution delivered by President Roosevelt. It is not without application to conditions in Canada. It states:

> The constitution of the United States was a layman's document, not a lawyer's contract.

I suggest that if the British North America Act is to be considered a lawyer's contract, in spite of the suffering which must be endured by a great number of our people, partly at least because of the inflexibility of that document, then there is a bad lookout for Canada. Mr. Roosevelt continued:

> Less than two years ago fifty-eight of the highest priced lawyers in the land gave the nation, without cost to the nation, a solemn and formal opinion that the Wagner Labor Relations Act was unconstitutional, and in a few months the supreme court overruled them.

I would invite the attention of the Minister of Justice to that statement. Are we to go on indefinitely allowing our people to suffer economically because there was a constitution drawn up some seventy years ago which may have been fitted to the needs of our forefathers, but is not fitted to the needs of Canada to-day? One concluding pregnant sentence is this:

> We will no longer be permitted to sacrifice each generation in turn while the law catches up with life. We can no longer afford the luxury of twenty-year lags.

I commend that to the attention of the Minister of Justice. I commend it to the attention of my legal friends in the house, and indeed to all others. We in Canada have been affording ourselves the luxury, here referred to as "twenty-year lags." We have been going along with old economic policies as well as an old constitution. Meantime the world has been moving with wonderful rapidity. Our people have suffered because the house and parliament has not had imagination enough to alter its policies to meet the new needs which this century has thrust upon us.

Mr. R. J. DEACHMAN (Huron North): Mr. Speaker, I always listen with a great deal of interest to the hon. member for Lethbridge (Mr. Blackmore). He is a man of great faith. This is an age of grave doubts, and we must at least have some admiration for those men who still retain some of their old faith.

Almost three years ago the Social Credit party in Alberta was elected, with great promises. I venture to suggest that no party has been a more complete failure, so far as carrying out its promises is concerned, and yet my hon. friend remains absolutely unshaken, with a faith that laughs at impossibilities and cries it must be done.

A year ago last summer I was startled to find in my morning paper a report of a statement which had been made by my hon. friend in some small town in Alberta. He suggested that hundreds of millions of years ago providence had contemplated the idea of bringing into existence the province of Alberta and that there would be a great leader raised up to direct the destinies of that province. That leader was Mr. Aberhart. Hundreds of millions of years ago means at least two hundred million years. I do not know the condition of the earth at that distant date. It may have been without form and void; it may be that it was still in a stage of fervent heat. Perhaps it had begun to calm down a little and it may be the first crude forms of life had begun to develop. There may have been a slight movement, a bubble in the primordial ooze, and perhaps providence looking on, waved a hand and said:

> There little creature, don't you cry;
> You'll be Aberhartan by and by.

Even though I speak thus kindly of my hon. friend, I want also to call the attention to something else. He said today that we should work together with the greatest earnestness and fairness. He believed that we were all fairminded men. I hope he will be able to live up to the creed which he has laid down. Last winter there was some discussion in this house about a bonus to be paid upon the production of sugar beets. I opposed that because I do not believe in tariffs or bonuses. If an industry in my constituency demanded a bonus, I would let it go and take my chance on being defeated. But I have heard on other occasions from friends of mine, who had it direct from the lips of the hon. member for Lethbridge, that he could not understand why I was opposed to the bonus being paid unless I was in the pay of the sugar interests. It is rather

humorous to think that I would be in the pay of the sugar interests, but I suggest that my hon. friend ought to be careful.

I do not treat his statement with the sternness with which I might regard it if it came from a member of one of the older political parties, such as the Conservative or the Cooperative Commonwealth Federation. After all a moral code is a product of slow growth. First, there are certain moral conceptions and it takes time to develop them. After all the Social Credit party is the youngest party in the House of Commons and it has not yet established its own code. It has not reached the condition where it can stand on honest convictions and antipicate that others will do the same. I suggest to my hon. friend that when he makes a statement such as that, he does not measure me; he measures himself. There is still some truth in the old couplet:

> Now, as of old, Man by himself is priced,
> For thirty pieces Judas sold himself, not Christ.

I shall be glad now to turn to something more entertaining. The Conservative party is developing new leaders, and I am glad to see them. I would not for one moment suggest that I should be glad to see the old leader disappear, because after all the older he gets, the more I like him. Prior to 1935, when my right hon. friend the leader of the opposition (Mr. Bennett) laughed at all, he laughed at other people. In 1936, having thrown off the burden of office, he laughed spontaneously and naturally. In 1937 he laughed with others. From personal contact and from what I have heard from others, this year he laughs at himself. He must have had abundant reason to laugh at himself when he went home last night.

The hon. member for Dufferin-Simcoe (Mr. Rowe) has moved down closer to the front. I congratulate him. He is getting nearer to the throne, and I do not think he will ever get very far away from it. He ran away a little too far last summer, but the results were not happy. Then we have the outside leader of the Conservative party, a new man who has come upon the scene. I do not know whether he is the heir apparent, the heir presumptive or merely the pretender to the throne. He made a speech some time ago in Toronto upon which I must congratulate him. That speech contained some sentences which convinced me that I have converted him and that he now has some doubt as to the value of tariffs. A Conservative who has the dawning of doubt with regard to tariffs is a valuable asset to the Dominion of Canada at the present time. We ought to welcome him to our midst. I am not sure that the conversion is complete, because his speech contains some strange dogmas. However, it is a very interesting speech and I should like to read a few sentences from it. He said:

> In the beginning, the disadvantages of the national policy eclipsed its advantages. To build a Canada of great and equal opportunity meant hard work, especially at the outset;—

I agree with that. He continues:

> —meant hardship, especially to the primary beneficiaries of freer trade. Our infant industries needed protection, if they were to prevail. Our labour needed protection, if it was to survive. But the foundations of a higher standard of living for the future, meant at that time, higher costs of living to the consumer. The producer of natural products paid twice over.

An hon. MEMBER: Who said that?

Mr. DEACHMAN: Mr. Herridge, the former minister to the United States, the aspirant to the throne. Where is the hon. member for Danforth (Mr. Harris), the man who occasionally whispers an invocation for higher protection? Where is the hon. member for Davenport (Mr. MacNicol)? Where is the hon. member for Greenwood (Mr. Massey)? Mr. Herridge speaks as a father who is chastizing his child and says: I hate to do this; it hurts me more than it does you, but it will be good for you in the end. His speech continues:

> This was unavoidable, if you like. But none the less it was a strain upon the scanty resources of a pioneer community. It is to the eternal credit of Canadians that they saw the vision of a greater Canada, and endured.

I can imagine the members of the Canadian Manufacturers' Association enduring while they were permitted to charge the consumer two prices for the things that they had to sell. In order to build a Canada of great and equal opportunity, it was necessary to divide the country into two classes—even the Minister of Labour (Mr. Rogers) was not accused yesterday of doing that—those who received payment and those who paid the bills. There is another touching passage here:

> So up went the tariff, undoubtedly beyond that point where ends the public welfare and begins those high profits of special privilege which feast upon the public welfare.
>
> And thus the tariff became a wall dividing east and west, industry and the primary producer, labour and the farmer. It ceased to be protection and became the perversion of the high morality of Canada first.
>
> The Conservative party put up tariffs. It misemployed a noble principle.

Isn't that good?—the noble principle being that of charging the consumer two prices.

> The national policy became discriminatory.

It was born that way.

Admit it gracefully.

I wonder if my Conservative friends will admit gracefully that the national policy became discriminatory—no, not "became" but always was. Then he goes on to say:

Therefore, when labour is protected the farmer must be protected likewise.

It took them sixty years to find that out. It was twenty-four years before they realized the truth about reciprocity, and even then they could not vote for it. But it took them sixty years to realize that the farmer must be protected alike with labour. It goes on:

And so his turn comes round at last. His protection is also a minimum wage. His minimum wage will be a minimum price level. In this way, labour and the farmer unite and become the joint guardians of our security.

I wonder if you could ever find a more delightful thing than that. The manufacturer, the protected interests, are still to be permitted to exploit the community. No change in that. But the government is to undertake the task of guaranteeing the prices of the products which the farmer produces, and so we will have industry exploiting the farmer and the government recompensing the farmer for the exploitation of industry. That is the new protection; that is the new national policy. Well, that will not last very long so far as the Dominion of Canada is concerned, but it does bring to the attention of the house a very serious matter. Even the Conservative party realizes the danger which confronts this country in connection with agriculture, and that is a story which I now desire to present.

For sixty years we have budgeted fairly steadily for depressed agricultural conditions. We have the fruits of that situation today. The average farmer in the province of Ontario —I am dealing now with the Ontario farmer because I happen to represent an Ontario constituency, but what I am going to urge in regard to the Ontario farmer ought to be applicable to the other provinces, although in the present circumstances Ontario is the pick of the bunch. Conditions here are better than in the other provinces, partly because of natural advantages, climatic conditions and so forth. The average farmer in the province of Ontario, according to the census of 1931, had an investment of $7,273. He had 119 acres of land. The value of his production per farm was $1,585 in 1930; that is gross production and takes no account of the cost of production or of the cost of living. It represents the value of the products produced on the farm, available for sale or for consumption on the farm. In 1932 the value of production had sunk to $964; that is, it declined by $621 in two years.

Permit me to say this for the benefit of my Conservative friends: This problem is too big to make it a partisan issue, and I am not charging the former government with the entire responsibility for the decline in the value of farm products which took place during these two years.

In 1936 the value of farm production had risen to $1,335, still a decline from 1930, but a substantial increase of $371 over the low level of 1932. I am going to be fair in this also, and say that the government cannot take the full credit for that increase, because part of it was the result of natural causes, and agriculture is still left in a depressed condition, which is something still to be faced.

As I have pointed out, that was the gross return. Then the farmer had to pay taxes on his farm, averaging $100. He had to buy feed, costing $80; fertilizer, $15; spraying materials, $3; seed, $24; power and light, $6; labour, including board for labour, $155. Then there should be an allowance for maintenance and operating expenses of implements, including gas, oil, twine, repairs, and so forth, which would amount to at least $100. Threshing would average $25, and the depreciation on his buildings and equipment would amount to at least $165. With an investment in his farm of $7,200, he ought to be entitled to five per cent interest, and if you add all these items of expense together, you have $973 of expenses on that farm. If the farmer was not getting interest on the money invested, he was paying interest on a mortgage, and if all these items are deducted from his income of 1936 the average farmer's net income in the province of Ontario was $362, or less than one dollar per day.

Well, Mr. Speaker, I wonder what you are going to do for an industry which has sunk so low that the total earnings, per farmer, are $360 a year. That is less than the pay which this government gives an office boy starting to work in the government service. Is there courage enough in parliament to say and to do something about this? Do you not think we have a problem there, a tremendous problem, as it exists at the present time? I wonder what we are going to do about it.

Let me put it another way. Let us take it upon an index basis. It is difficult to compare farm earnings with industrial wages, and in this case remember that I go only so far as an index will go. You must consider it as an index and nothing else, but yet it is an indication of real conditions.

Taking industrial wages at 100, and farm earnings at 100, in 1926, we can come to a fair approximation of farm earnings in the following years by comparing the relative prices which the farmer received for his products with the wages which the industrial worker received. There is no substantial variation in the volume of farm production during those years, and the reward of the farmer is dependent largely upon prices.

It stands this way: Industrial wages, 100 in 1926; 104·3 in 1932; 109·8 in 1935. Farm earnings, 100 in 1926; 83 in 1930; 59·5 in 1932. In other words, the earnings of the average farmer in Ontario in 1932 represented a decrease of 40·5 per cent from the level of 1926, while the earnings of labour went up during the same period by four per cent. Please note that I am not finding fault with the wages of labour. I am not saying that the earnings of labour are too high. I realize that while this was going on, while the farmer was paralysed, while his earnings had decreased over 40 per cent, labour was largely unemployed. But I raise this question—how far can labour go in increasing its wages while the farmer stands as he does. There is the difficulty which labour must face. You cannot have the rate of wages of labour steadily increasing over the years when you have at the same time the income of the farmer almost cut in two.

If we take again the cost of living and the value of farm produce at 100 in 1926, the cost of living in 1932 stood at 81·4 and the price of farm produce at 48·4.

These are conditions that call for the attention of the House of Commons, not of one political party only, but of all. I have given the prices of farm produce, and I want to point out that in the normal operation of the law of supply and demand the price of farm produce ought always to stand at a higher level than the price of manufactured products. There are certain basic reasons for this: First, mass production lowers the cost of manufacturing. Mass production is always possible in industrial production, but rarely possible in agriculture. Second, the mechanization of industry goes forward more rapidly than the mechanization of agriculture. Greater resources in capital and greater capacity for employment of technical experts in the development of research assist progress in manufacturing. Manufacturing is driven forward towards the lowering of costs of production—not necessarily of selling price—much more than agriculture. Third, fluctuations in volume of production and price are, to a large extent, under control in manufacturing. This gives greater stability and permits lower costs. Fourth, production, per unit of capital invested, is greater in manufacturing than in farming. Fifth, interest rates are lower for the industrial borrower than for the agricultural producer. That ought to aid the manufacturer still further in producing at a low cost, while the farmer is naturally faced with a higher cost of production.

In view of all these facts we cannot expect that the price of farm produce will decline, as will the price of manufactured commodities; and for that reason the situation should be changing steadily in the direction of the farmer and not in the direction of the manufacturer. Why does this not happen? I am not going to be positive in that regard, because I want the house to explore and find out why, but I think there are some reasons which are quite obvious and the house ought to be able to discover them.

What is the result of the changes I have pointed out? Let me mention one fact which I regard as of great importance so far as farm life in Ontario is concerned. In 1931, according to the census, there were in rural Ontario, in the age group from twenty to twenty-nine, 115,000 males and 87,000 females. According to normal expectancy, taking the age group from twenty to twenty-nine—that is, the group in which most marriages take place—we should have had 124,709 males and 111,822 females in 1931. That was the normal expectancy. Actually there was a decrease of 9,000 males. The decrease in the number of females was 24,000. The young women had deserted the farms.

What is the reason for this? The reason is that the young woman was no longer a valuable economic unit on the farms of Ontario. The cost of living was high and she had to make a living. The female population moved away from the country to the city. Those of my hon. friends who are bachelors know, as perhaps the married men, too, know, that when the young women leave the country there inevitably follows a decline in the social activities of the people, for the young women are the life of the community, and so you have a serious social condition in the rural life of Ontario. Economic conditions have destroyed the normal balance of population. Moreover, there is a constant tendency for the young men to leave the country and go to the city. This is one of a number of aspects of the general situation that has developed as a result of agricultural conditions in Ontario. Another is the fact that our standards of education are declining, at any rate, so far as rural education is concerned.

Mr. WALSH: Does the hon. gentleman say that education is declining.

Mr. DEACHMAN: I say that the standards of education in the rural communities are declining as compared with the standards in the city schools.

Mr. WALSH: Will my hon. friend amplify that statement?

Mr. DEACHMAN: Yes, gladly. My hon. friend, I understand, is a teacher, and I think he will realize that where salaries are low one is not likely to get the same standards of training among teachers as where higher salaries are paid; yet I find that among male teachers, in 1935-1936, the average salary in the country schools was $848, while in the urban schools it was $1,922. Even my hon. friend would not work as hard for $848 as for $1,922.

Mr. WALSH: Is my hon. friend differentiating between the grade of diploma held by the teacher receiving $800 and the grade of diploma held by the teacher receiving $1,900?

Mr. DEACHMAN: What I have given has reference to public schools, and if there was a difference in the matter of diplomas it only shows, what I am contending, that the country school cannot afford the high-salaried teachers who are employed in the cities. There are, in Ontario, something like 750 schools in which the average attendance is less than ten, and I venture to suggest that my hon. friends will appreciate how extremely difficult it is to provide the same high standards of education in such schools as exists in city schools, which have the advantage of better equipment. Inevitably, where there is a decline in rural wages, the earnings of the farmers, the standard of education will decline, not because the people want it to decline but because there is not the economic capacity to pay teachers.

I come to the question of remedies. I shall not discuss this question, because all I want the house to do is to realize the problem. I should like hon. members to appreciate the problem from the economic standpoint and to give full consideration to this fact, that if the entire rural population of Canada, or of the province of Ontario, must expect a low level of recompense for its work, then it follows inevitably that the burden will be felt by industries which will lack purchasing power; it will be felt by the railways; it will be felt in every phase of our life in Canada.

It is exceedingly difficult to obtain the facts. The story I have given to-day is not very clear, it is not very definite, because the facts are not available upon which to base a conclusion. Do hon. members realize that the latest available record of earnings of farmers goes back to 1920 when the index of prices was 160 as against 80 to-day? There were some reports prepared in 1931-32 by the Ontario Agricultural College. I endeavoured to get these reports but have not yet been able to obtain them as their circulation was banned by the government of Ontario at that time because the story they told was too tragic. They did not want the facts to be known. The same thing has occurred in the United States; when they start to investigate the living standards of the farmer the investigation collapses before it gets very far. But I contend that we ought to have these results.

Many will dispute these contentions in regard to the condition of the farmer. Some say: After all, the farmer is not trying to make a living; he is trying to live a life; he has a house of his own and all that. But I ask the government to give some time and attention to the problem. Let us make an analysis of the earnings on one hundred sample farms in Ontario, and a number of farms in other provinces. Let us take a fair selection, get the record and examine the facts. This would be a simple matter; we could use the facilities provided by our district agricultural representatives. It is possible to adopt a simple form of accounting and find out what the farmer earns. With a record like that, continued over a number of years, I am positive that we would have sufficient facts to convince any party or any government that the big problem before the people of Canada to-day is not, as some people say, the railway problem; it is not the unemployment problem; it is none of these problems—the real problem is to bring the standards of agricultural life up to such a point that when this nation goes forward—under a Liberal government, I hope, if a Liberal government is faithful to its trust, but otherwise under some other government—it will go forward by a united movement all along the line, not simply raising by artificial means the reward of the few, while others are compelled to pay the added cost. I read from the address of the Hon. W. D. Herridge given in Toronto recently. I cannot agree with it. I do not think the problem can be solved in the way Mr. Herridge suggests, by a fixed price for agricultural products. There is no hope that way. I believe the movement should be towards freedom. Emerson said:

> The basis of political economy is non-interference. The only safe rule is found in the self-adjusting meter of demand and supply. Do not legislate. Meddle and you snap the sinews with your sumptuary laws—give no bounties.

I pass that on to my friend the hon. member for Lethbridge (Mr. Blackmore).

Make equal laws and secure life and property. Open the door of opportunity to talent and virtue and they will do themselves justice and property will not be in bad hands. In a free and just commonwealth property rushes from the idle and imbecile to the industrious, brave and persevering.

I would not subscribe to all that; yet it is a safer, surer guidance than sumptuary laws, planned economy, fascism, communism or any other ism. But with a measure of freedom, helped to some extent by the correcting influence which government can exert, I am sure that standards of living for the farmer can be raised and he can be brought to an equality with the rest of the people of the dominion. If we fail in accomplishing this we have not solved the one great problem facing Canada. It must be settled or life itself has failed in this great nation.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, at the outset of my remarks I want to congratulate the mover and seconder of the address in reply to the speech from the throne. I do that because I noted in their tones an undeniable conviction, and at the same time great fluency of delivery, which I think merit praise even from a humble member of His Majesty's Loyal Opposition.

In the months preceding the opening of parliament the speech from the throne has been awaited with a good deal of eagerness by the people of Canada. During the first session of this eighteenth parliament the government was to a large extent finding its feet. In the second session its eyes and those of our legislators in general were turned chiefly towards the coming coronation and the imperial conference which came directly after it. But this third session, and the program of governmental legislation presaged in the speech from the throne, provide a real test of the government of the day.

In my first speech in this chamber and in some other addresses I made here I expressed my desire to be helpful in connection with legislation coming before the house from time to time. I think hon. members cannot complain that I have been narrow or bitter or unfair in my criticism of governmental legislation, nor have I any intention of pursuing a different course in my remarks to-day. I believe that criticism of a government's program should be of a constructive nature. Our duty as legislators, representing our constituents, is much broader and goes much further than a mere attempt to make political capital or to seek tactical political advantage.

[Mr. Deachman.]

I think I echo the feelings of most people in the country to-day in saying that. Wherever I go I find a growing feeling that the work of this house and the legislation it enacts are of much greater importance at this time than ever before, and call for the undivided attention and patriotism of men on both sides of the house to make that legislation workable and beneficial to our citizens. The spectacle of governments assailing governments, section fighting against section and men manoeuvring for political advantage may make front page news and be a great "break" for the papers in some respects, but it does not come within hailing distance of a real attempt to solve the great problems which face our country at this time. There is much talk of national unity, but I should like to see more work towards that end as well. I sometimes fear that by so much talk we may talk ourselves into nine different countries instead of working ourselves into one. I leave that suggestion with hon. members, because after all our talk will not avail much unless we work towards that end.

My purpose this afternoon in dealing with the speech from the throne is to stir this administration into producing more far-reaching and effective legislation on behalf of the great masses of our people. I do not think the speech from the throne can be regarded as of a kind likely to bring much sunshine and happiness to the great mass of Canadians. Like my right hon. leader I feel that surely something can be done within the precincts of this house by the administration now in power towards attempting, in any event, to bridge the gap between plenty on the one hand and poverty on the other. I am not taking a defeatist attitude in this regard. I have confidence in our Canadian people, whether they be Liberals or Conservatives or belong to some other group represented in this chamber. I am confident that what I suggest is the desire of the Canadian people, though sometimes we may disagree as to the methods which should be employed in attaining that end. By delay and overcautiousness in this country are we not contributing to the growth of radical thought and feeling? In order to do a proper job in a country such as this, in my opinion governments must keep abreast of the times. They must not go further than public thought but neither must they lag behind the general feeling that exists in the country over which they govern.

With regard to one of the major points dealt with in the speech from the throne,

unemployment insurance, may I say that I doubt if there is one man—or one lady—in this chamber who is not fully in accord with the introduction of unemployment insurance to help our workingmen. I doubt very much if the sentiment of the house is not overwhelmingly in favour of unemployment insurance, but may I suggest with all deference, Mr. Speaker, that this question has been before the people of Canada for a great many years. I was not so active in public life when the Liberal platform of 1919 was drafted, but in that platform I read a reference to social legislation such as unemployment insurance. It would appear to me that the years of prosperity in this country between 1921 and 1930 was a period when unemployment insurance could have been inaugurated. If that had been done it would have worked out to the great benefit of the working people of Canada. I make that suggestion for this particular reason that after all the working people become annoyed from time to time at the delays which occur, from whatever causes.

During the very difficult years following 1930, when the depression was nearing its end, an attempt was made by the previous administration to introduce an unemployment insurance measure. After it was brought in, as hon. gentlemen are very well aware, its constitutionality was questioned by the then opposition. Shortly after the measure was enacted the Conservative administration was defeated at the polls. Now we are in the third session of this parliament and only now are we getting the legislation which, in my opinion, we should have had many years ago and which, if it had been brought into being at that time, would have built up a fund which would have been immensely worth while to the working people.

Now I should like to add a word of counsel, of caution and of warning to the government of the day. In all fairness and all friendliness may I suggest that they should give right of way to the unemployment insurance legislation at this time, putting it ahead of all other types of legislation, so that not one more minute may be needlessly wasted before we do something for the working people.

In the speech from the throne I notice some mention of economic recovery. It is true that Canada has shared in the general world movement during the last few years, but I think we should be cautious in our remarks with regard to the betterment in economic conditions, because, to my way of thinking at least, to some extent our increased trade rests upon the temporary foundation of world war preparations. Suppose the war preparations should cease; just what provision is this administration making for the protection of the people of Canada if that trade should disappear to any great extent? Those are some of the matters which this government should take into very careful consideration, so that we may survive if at any time in the near future this trade stimulus should decline.

I should like to say also that we cannot risk our entire economic future upon outside markets, important though they may be. After all, the home market is also important, especially for those of us who represent agricultural ridings. The home market for the producers must be protected, and a national policy of self-preservation must, in my opinion, be inaugurated in order that the dangers I have pointed out may not have to be faced. In the last three months we have seen how quickly this country reacts to outside influences and how sensitive is our national economic set-up to conditions prevailing across the border to the south. So I say that we should make every effort to put our own house in order first. Then, when that has been done, we may seek those stimulants to trade which will bring to our people a greater prosperity in the years to come.

In the speech from the throne—and I should like to address myself particularly to the western members in this regard—mention is made of the activities carried on under the Prairie Farm Rehabilitation Act. During the past year many western farmers and their families have come to the county of Peel, which I represent in the house. Without any flattery whatever I should like to say that one would have difficulty in finding a finer type of rural Canadians or better farmers than these western people who have come to our county. On many occasions I have heard members from the west rise to great heights of oratory and enthusiasm, as only a western member can, on behalf of the men and women whom they represent. After having seen these migrants to our county may I say to you, Mr. Speaker, that they well deserve all the praise that has been given them in the house. I believe also that this movement has created a new understanding between the east and the west. So far as my personal knowledge goes, it has done more to create a real national unity and an effective interprovincial understanding than all the words that have been uttered in this house and the other legislative chambers in our country. May I express the hope that government activities under this act will not be necessary after this session has been closed, and that good crops and the necessary moisture will be found in those dried out areas

of Saskatchewan, Alberta and Manitoba. I trust that 1938 may be a banner year for the great grain growing population of western Canada.

Mention has been made in the speech from the throne of the training of unemployed young people in Canada, such training to be conducted under the Unemployment and Agricultural Assistance Act of 1937. It will be recalled that on September 14, 1937, an agreement was made between Ontario and the dominion under the youth training scheme, and $90,000 was made available for the training of young men and women in agriculture or allied pursuits. Five hundred young men were taken as a maximum for the purpose. When they went to the farms they were paid $10 per month, and the farmers who took them in and gave them board and lodging received the same amount. This was to be continued for six months.

Anything I may have to offer with regard to the scheme will be by way of helpful suggestion to the government, and could not be regarded as a definite criticism. I would address my observations particularly to the Minister of Labour (Mr. Rogers), under whose supervision the operation of the act comes. However there have been some minor criticisms which possibly should be brought to his attention for correction, in the event of the same condition arising in the future. There is no profession, vocation or calling in connection with which applicants must be chosen with greater care than in that of farming. Farming is a most difficult type of profession. Only those of us who have come from the farms and understand farm problems can realize the full importance of what I say. To a great extent one must have industry, perseverance and a genuine desire to be a farmer, if he is to succeed in the training. All those factors are most important. Although the Minister of Labour is not in his seat, may I say that the greatest care must be taken in choosing the young men who are to train and thereafter may be expected to take their part in the future agricultural life of Canada.

Every farmer member must know of instances where urban dwellers have gone outside the cities to attempt to do farm work. Some of them have been good farmers. As I stand here this afternoon I can remember several young men, Englishmen, Irishmen and Scotsmen, who have worked for us on our farm from time to time and who to-day own their own farms in Ontario, and can be classed as good farmers. On the other hand there were others who came to the farms who wished only to fill in time until they could obtain other jobs within the town limits or within the limits of a city corporation. May I repeat that we must be careful in our choice of the men who are to be trained to do this type of work.

Some men have come out to the farms in the years gone by to attempt to learn farming, and even after years of experience they have been known to commit that unpardonable sin of hitching the tugs to the double-tree before the wagon tongue goes in to the neck-yoke. I notice the Minister of Finance (Mr. Dunning) laughs; perhaps he has never committed that unpardonable mistake.

Mr. DUNNING: I have, and I have done it on a cold morning, too.

Mr. GRAYDON: On the other hand, there are those who have come to the farms with scarcely any experience, but have had a great desire to be good farmers and who, by using their own common sense, have known enough even to turn a scotch collar upside down before putting it on over a gelding's head.

I mention these points simply to emphasize to the Minister of Labour the great care which must be taken in connection with choosing the young men who are asked to learn this most intricate of professions. May I add that, in my view, so far as possible friction should be avoided between those young men who come to the farm under a scheme such as this and the elder, more experienced and skilled labourers who have spent all their lives on farms, sometimes earning not much more than the young men who are about to study the art of agriculture. The general scheme of youth training must however commend itself to all of us.

For some reason or another the demand for unskilled labour seems to have diminished to some extent. No doubt many hon. members have had the experience I have had in attempting to place men in different jobs. At times we find it difficult to fit men into jobs because they lack some kind of technical training. Attention should be turned not only to the question of youth training, but, so far as finances permit, to the training of other people who may be fitted into the various niches of industry or other places in which, by virtue of their present lack of skill, they are not able to be absorbed.

Representing one of the greatest agricultural sections in Ontario, the county of Peel, I am interested in the Shaw report on overseas marketing. That report opened the eyes of many farmers in Ontario and, no doubt, in the other provinces. I shall not attempt to deal with the publicity which has attended

the publication of that report. Not only does it reveal the faults in the present system but, more important to the farmer, it shows the definite possibility of future overseas markets. After all there can be no question that for the farmer the United Kingdom offers one of the greatest markets in the world.

I would ask the government so far as possible to assure us of some aggressive scheme for the standardization of products, and of an equally aggressive campaign for selling our products overseas. I do not know whether it is general in all constituencies, but there is a feeling among farmers, one which has been expressed to me on many occasions, that perhaps less money might be spent by the government in some other departments and that a little more might be spent in the Department of Agriculture. The view is held that greater expenditure might be made in connection with the extension of domestic sales as well as the sales of products in other parts of the world.

We have read in the paper where congress voted almost a million dollars for one particular type of advertising in connection with one class of farm product. All hon. members know what the citrus fruit advertising has done for the growers in California and other states. In this country I believe we might reduce the estimates of other departments of less importance, and allocate more money to advertising the products of the farm in our domestic as well as in our overseas markets. We should show people that for deliciousness and general food value our Canadian farm products outclass anything in the world.

The speech from the throne has dealt with the Veterans' Assistance Commission Act. The last report brought down made some mention of the imperial veterans. I should like to suggest to the Minister of Pensions and National Health (Mr. Power) that he might find it profitable to arrange for a conference between officials of the Ministry of Pensions in the United Kingdom and the department here. Out of such a conference might come something which would improve the status of the imperial veteran in this country.

I was interested to note the extensions which are to be made in the trans-Canada air service. We are fortunate in the county of Peel in having the village of Malton picked as the site for the Toronto auxiliary airport. We had a feeling in that county that when the authorities were looking for something good, they would come to our constituency. They have not failed us in that regard. We are hoping to be on the direct line of trans-oceanic traffic in the years to come and I believe that the choice of Malton for an airport was a wise one.

Mention is made in the speech from the throne of a revision of the trade agreement between Canada and the United States. As the provisions of the new agreement have not been definitely decided upon I should like to make two or three suggestions to the government, which might be kept in mind when negotiations are in progress. There are a considerable number of fruit and vegetable growers in my riding and these men are much concerned over the possibility of the lowering of the tariff or the relaxation in the imposition of the regulations with respect to added value for duty. These people have suffered to some extent—perhaps I should say to a large extent—because of the agreement which went into effect on January 1, 1936.

The figures show that as between 1935 and 1937 there has been an increase of 50 per cent in imports of fresh vegetables from the United States. Our growers can supply the Canadian demand. They are not asking for special privileges, but they feel they have made a greater sacrifice in promoting freer trade between these two countries than any other industry in this dominion. Imports generally from the United States increased 30 per cent in the period 1935 to 1937, but imports of vegetables increased, not 30 per cent but 50 per cent. I cite these figures to show that these growers are entitled to some consideration. The tariff as it stands at present is not sufficiently protective and they are anxious that by the new agreement no additional burden shall be imposed upon their business.

According to the latest statistics, there are more young trees planted for orchard purposes in the county of Peel than in any other county in Ontario. This means that the orchard men of Peel are planning for the future. They are counting on a continuance of the preference which they now have in the overseas markets. I ask the government to exercise every care and caution to see that nothing is done to interfere with the preference which our fruit now enjoys.

In my closing remarks I should like to refer to three types of taxation, all of which are regarded as important in the riding which I represent. During the regime of the previous administration, a two-cent tax was placed upon sugar. That tax met with some outcry, especially from hon. members who now sit on the government side. In the next year

the tax was reduced by one-half, but the one-cent tax has remained in force ever since. I submit that we do not give enough consideration to the effect that such taxes have upon the women of our country. After all the housewives should be considered. This tax is actually a burden upon the housewives of the dominion. Last year I suggested that this tax should be removed and I hope that I shall not be a lone crusader this year when I ask the government to consider this matter when the budget is brought down. This one-cent tax should be taken off sugar in order that some relief may be given to the housewives of our land.

The county of Peel is the home of the greatest cut flower industry, not only in the dominion but I think I am safe in saying in the world. No sales tax is imposed on agricultural products, but the full tax of eight per cent is imposed on horticultural products. This tax must be very difficult to collect because of the great number of small growers. The result is that it is to some extent discriminatory in its application. I suggest that this tax should be eliminated. I make this plea, not only on behalf of the large concerns in Brampton and elsewhere, but also on behalf of the workingmen who are engaged in this industry in great numbers. They are anxious that it shall prosper in order that they may derive some benefit from that prosperity.

I should like to bring to the attention of the house a matter which has not been referred to so far. I refer to the increase in the cost of radio licences. With all fairness to the Minister of Transport (Mr. Howe) and to the general manager of the Canadian Broadcasting Corporation, for both of whom I have the greatest respect, I make the plea that there should be no increase. I sat in at one meeting of the special committee which dealt with radio broadcasting in 1936. I was elected to take the place of the late Mr. Plunkett, the former member for Victoria City. It may be that I did not know the general set-up of radio broadcasting, but at that time I felt that an opportunity should be given to the nationally owned broadcasting corporation to justify its existence. The report of that committee was concurred in unanimously by the House of Commons.

There has been, however, a growing discontent with our national broadcasting corporation. Whether or not this is justified, is not for me to say at this time. The people are now to be asked to pay an increased licence fee, not only on the sets upon which they previously paid a fee but upon the radios in their cars and any additional sets they might have in their homes. There has been a storm of indignation over this increase and I think it should be brought to the attention of the government, if they have not already heard the rumblings in the press and from other sources.

I trust the government will take an early opportunity to remedy this matter. If our national broadcasting system is to be a success we must first gain the confidence of the radio listening public in this dominion. We must be careful not to impose what people are apt to regard as nuisance taxes. Speaking for myself, I would rather pay $70 in gasoline tax, which I do every year, because I seem to notice it less, than be asked when the 31st of March comes round to pay the radio licence fee. That may seem peculiar, but human nature is human nature, as someone said in the debate yesterday. I would urge upon the government the importance of maintaining confidence in our nationally owned broadcasting system, and may I suggest that the raising of the licence fee will not tend in any way to increase confidence in the system. I ask the government at this time not only to refrain from increasing the licence fee by fifty cents, but very earnestly to consider wiping out the fee altogether and raising the funds required from some other source.

May I just say in closing that while the speech from the throne foreshadowed a number of very important projects which will be under consideration by parliament this session, undoubtedly it left out one very important matter, and that was any reference to legislation which would tend to bridge the gap, that inequality between incomes in Canada, which I mentioned in my earlier remarks this afternoon. Surely this great assembly of men and women representing all parts of this dominion, coming here with one idea in mind, that of bettering the condition of our people, can find in the legislative machinery at hand a powerful and effective instrument for bringing about a greater equality of income in this country at this session of parliament.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ARTHUR J. LAPOINTE (Matapedia-Matane) (Translation): Mr. Speaker, I shall make my remarks brief, in order not to delay the adoption of the address in reply to the speech from the throne. I wish first to offer my warm congratulations to the honourable members who moved and seconded the motion. I was delighted to hear these speakers express themselves with such ease, eloquence and precision.

The third session of the eighteenth parliament has just opened in an atmosphere of confidence and optimism. Instead of the disquieting situation in which the country found itself under the former administration, we are able to note today remarkable progress in all fields of national activity, thanks to the present government's policy built on common sense and cooperation.

In spite of the acrimonious remarks of the right honourable the leader of the opposition (Mr. Bennett), many of his friends cannot help admitting that we are today on the road to true restoration, with all due deference to my honourable friend from Kootenay East (Mr. Stevens). As the right honourable the Prime Minister (Mr. Mackenzie King) said last night in the course of a speech for which I wish sincerely to congratulate him, there is still much to be done; important problems remain to be solved, but I honestly believe that the Liberal party has reason to feel proud of what it has accomplished during the period of slightly over two years that has elapsed since its accession to power.

Among the difficult problems awaiting solution there is that of the anxious and bewildered young people of this country who, during the past six or seven years, have seen the collapse of their ambitions and the vanishing of their fondest hopes. Today practically all avenues are closed to youth. Every position is filled, and when perchance a vacancy opens there are hundreds of applicants for it. I know many heads of families who have made great sacrifices to educate their children. Some of them spent nearly all their savings to give to their sons an education that would permit them to attain in due course to important positions. All that is left to them now is the consolation of looking at gilded diplomas hanging to the walls.

I know of no spectacle more tragic and distressing than that of our idle young people who, because of their idleness, are exposed to many dangers. The depression has affected the morale of the younger generation and I look upon the problem of youth as the most pressing one that we have to face. Indeed, the delay in solving it may lead to the most disastrous and irreparable consequences.

Since a nation's youth constitutes one of its most valuable assets, governments have in that regard duties and obligations which they cannot avoid. I wish however to congratulate the honourable the Minister of Labour (Mr. Rogers) for the action he took last session in having one million dollars voted to assist the youth of the country. It is a most worthy object and I was happy to note in the speech from the throne the government's intention to continue this wise policy this year. I hope that even more will be done.

As the representative of a rural constituency, I wish particularly to draw the attention of the government to the distressing situation of the young people of the rural districts. During the two years or more that I have had the honour of representing the electoral division of Matapedia-Matane in this house, I have received over five thousand applications for positions and assistance of all kinds, a large number of which came from sons of farmers. It is because I understand the deep distress of the young people from the country communities that I appeal to this house to-day on their behalf. I venture to hope that my appeal will be heard by those who are charged with the responsibility not only of the future and the welfare of our youth, but of the progress of our agricultural population as well.

In spite of a substantial improvement there are still in each parish of my constituency from 75 to 150 young men of an age to establish a home of their own, but who for lack of resources are unable to do so. Their fondest desire would be to follow the example of their parents and become useful citizens earning their living by their labour. Instead of that they have become a heavy burden and an object of anxiety for their parents.

People seem to forget that agriculture is Canada's basic industry, and I am under the impression that we have too often, in the past, neglected it for the benefit of other large industries, which resulted in drawing a large number of our rural youths to the cities, attracted as they were by the prospect of an easy life and by the mirage of delusive pleasures. But scientific endeavours with a view to improving our machinery soon brought about overproduction, and, therefore, unemployment. To-day, it seems to be an established fact that our factories, with their improved equipment, when they are running full time, are able to manufacture in a few months what we can consume in a whole year. Therefore the manufacturers will be more and more inclined to reduce their employees, and the cities will require a lesser number of workingmen. Consequently, there is an urgent need of directing our young people toward another sphere.

Desertion from the land has caused great social unrest, and, to a large extent, made for the economic chaos from which we have so much suffered for the last few years.

According to the statistics, the population of the province of Quebec, at the time of the census, on June 1, 1931, was 2,874,255, or 27·7 per cent of the total population of Canada. People residing in the 25 towns of more than 10,000 inhabitants made up 46·26 per cent of the total population. By adding the residents of incorporated villages of more than 1,000 inhabitants, the percentage of the urban population would be 54·51. And if you add to that the population of all our rural municipalities of less than 1,000 inhabitants, the percentage would then be respectively 63·1 for the towns and 36·9 for the countryside. Our rural population, in the province of Quebec, has been steadily decreasing for the last sixty years. According to the census of 1871, there were then 80·5 per cent of the people on the land, and 19·5 in the towns. In 1931, the percentage of the rural population had dwindled to 36·9. However, during the ten years between 1921 and 1931, the population of the province of Quebec had increased by 21·76 per cent. Where did the surplus of our rural districts go? They helped to swell the number of workers in the cities, and later the number of unemployed on relief, which meant a burden for the government, instead of an asset to the country.

Mr. Speaker, such conditions cannot last much longer without necessarily endangering the economic future of this dominion. I humbly suggest that the best way to put an end to these unfortunate conditions would be to improve the lot of our farming class, and to assist in establishing our farmers' sons, either on old farms which could be parceled out, or by opening new rural districts. Some time ago, the very eminent bishop of Rimouski, Mgr. Courchesne, pointed out that our forests that had for years supplied the mills in the Matapedia valley would soon be depleted, and that the people would of course have to go back to the land. Even if the keeping of our youths on the land must entail great sacrifices on the part of the nation, we should make them. It shall be the salvation of our young people. As I look all around, and as I endeavour to see through the future, I see no other means of really improving the conditions.

Undoubtedly, I realize that the young people in our rural districts may not all feel the call to the land, but I know a large number of young men in my county who would be anxious to get established as farmers, provided that the conditions were more favourable, and that they would get the necessary assistance.

The Auger-Rogers plan disclosed at first great possibilities for the province of Quebec, but we soon realized that the rural districts could not easily avail themselves of that plan, because the municipalities are too poor to contribute their share. Although it was stated that the Quebec government would assume the share of those municipalities which would be unable to pay, I believe that in our rural districts there were very few people who could avail themselves of that plan, and the towns seem to be the only ones to benefit by it.

Mr. Speaker, we do not seem to realize the actual conditions which obtain in the rural districts. While we grant the cities millions of dollars for public works and relief, our unemployed in the countryside must, most of the time, depend on public charity. Anyone who will look through the list of relief works undertaken this year in the province of Quebec under the Tremblay-Rogers agreement will notice that outside of a sum of $1,000 granted the constituency of L'Islet, not a cent was provided for the counties east of Levis. Not that I wish to blame the hon. Minister of Labour, who sits in front of me for I know that the choice of these undertakings is left to each province; but I would like, however, that it be well understood that the cities of Montreal, Quebec, Three Rivers, Sherbrooke and Levis are not the only spots in the province of Quebec where there is unemployment.

I shall now turn back to the main object of my observations. In the previous speeches which I had the privilege to make in this house, I always advocated a back to the land movement, because I thought, as I still think, that it is the best way to solve the unemployment problem in our rural districts. In this respect, however, I am in perfect agreement with the bishops of the province of Quebec, who have just made a stirring appeal for land settlement.

I had much satisfaction in learning, through the press, that in April next a great radio campaign on agricultural training will be launched in the province of Quebec by "Le Réveil rural," whose chief founder and energetic president is my esteemed fellow member from Kamouraska (Mr. Bouchard). No better qualified man could have been selected as the head of that organization than the author of Vieilles choses et vieilles gens, who for nearly a quarter of a century has laboured so heartily on behalf of the farming community. Some people will no doubt claim that the back-to-the-land movement, the land settlement policy has not always yielded satisfactory results. Possibly, but we should also bear in mind the mistakes which were made in the past and could be avoided in future.

In order to promote the development of new land settlement districts, it would be necessary, at the outset, to provide adequate means of communication with the older centres, instead of letting the poor settlers flounder over wretched roads. Again, those worthy people would have to be paid more regularly the salary and the bonuses to which they are entitled, instead of having to wait several months for them. I think the federal government should, along with the Quebec government, assume the whole cost of carrying out the Auger-Rogers plan, and that municipalities should not be called upon to contribute. In my opinion, under such circumstances, that plan would be an ideal one. Greater care would also have to be exercised in the selection of lands for settlement, and more attention should be given to the choice of settlers. In the past, farmers' sons have all too often been overlooked in land settlement schemes, while settlers were being looked for among the cities' unemployed. The latter, not all but a good number of them, had no natural turn for farming. They were not, either, prepared for the hard work and the numerous hardships that are part of a settler's life. Many among them had no greater ambition than to escape for a time their wretched conditions and take advantage of the opportunities offered by the governments. That is why, after a year or two, and in some cases after a few months only, they flocked back to the cities.

Before thinking of getting rid of the cities' unemployed by putting them on uncleared lands, let the authorities first put a stop to the migration of people from the farms by giving our farmers' sons practical help in becoming settlers. These young men are better aware of what is expected of them. For many years, they have, under the supervision of their parents, become acquainted with farming. They know that the constant and persevering exertions of a courageous settler are nearly always rewarded, even if in some cases results only come after a long time. In the province of Quebec, especially, if farming seldom brings wealth to those who make it their life work, it does, at least enable courageous and persistent people to live in easy circumstances, while bringing them independence, quiet, peace and happiness.

I am pleased to say that most of the settlers in my constituency have displayed much courage and perseverance. Thanks to their unremitting efforts land settlement has had a wonderful progress in our district. A few newly-established parishes will soon vie with the older ones. In these troublous times, when people are more interested in enjoying themselves and leading an easy life than in making sacrifices, these worthy settlers, true to ancestral traditions, did not hesitate to plunge into the forest in order to establish a home and make room for their descendants. These unheralded heroes deserve our admiration since they are thus promoting the development and the greatness of our country.

When, looking over the map of my constituency, I notice a vast district, comprising the townships of Laverendrye, Catalogue, Gravier, Clark, Casault, Lagrange, Bontet, Duniere, Richard, Cuocq, Leclerc, Joffre and Baribault, which have never been opened to settlement, I cannot but think that all the unemployed of my constituency could find work there. I reflect that there would be good prospects for all courageous and proud young men who are not afraid to face those hardships and sacrifices which, sooner or later, must be the lot of those who wish to succeed in life. I reflect that there would be good prospects for all our spirited young men in whose veins is still flowing the blood of the early settlers who opened to civilization the shores of the St. Lawrence. And I know, Mr. Speaker, that these young men are still numerous in my constituency, but they are awaiting the time when the government opens the way to those areas and helps them to make a start. Let us not forget that the future of our country is in the hands of our young people. And it seems to me that we would be remiss in our duty if we did not do everything in our power, if we did not take every means at our command for the salvation of our youth.

Mr. Speaker, I will conclude, since I stated at the outset that I would not speak at any length, but I do hope that the government will consider my suggestions.

Mr. VICTOR QUELCH (Acadia): First, Mr. Speaker, I should like to congratulate the mover and seconder of the address upon their efforts to paint a silver lining in a murky and heavy cloud. During the past few months I have listened to many speeches by prominent Liberals, including members of the Liberal cabinet, and perhaps I might be pardoned if I termed the majority of those speeches as of a vainglorious nature. My reaction, and I believe the reaction of an ever-increasing number of people in Canada, is a feeling anxiety, bred by the belief that this much vaunted

prosperity rests upon a foundation which is not only unsound but altogether undesirable. It appears to me to be a lamentable state of affairs when the prosperity of a country such as Canada should have to depend to such a large degree upon the volume of our export trade rather than upon the demand of the home market.

The excuse, of course, is offered that in Canada, where we have a comparatively small population, that population is not able to absorb the total production of the country. However that argument can be tenable only if the present population are having their wants adequately met. Would anyone in the house suggest for one moment that the domestic and social requirements of the people of Canada are being adequately met to-day? Would anyone suggest for one moment that the masses of the Canadian people are receiving a sufficient quantity of food to afford them a decent standard of living? Would anyone suggest, for instance, that the masses of the Canadian people possess a sufficient quantity of clothing? I refer especially to children in the rural areas, who in many cases have to travel two, three and four miles in sub-zero weather wearing clothing totally unsuited to withstand the rigours of this climate. Once more, would anybody in this chamber suggest that the housing requirements of the people of Canada are being adequately met? It is not necessary to travel very far from this chamber to find people living in very undesirable quarters, and in this dominion I have seen people living in hovels that would make the pigsties at the central experimental farm here look like palaces. That being the case, Mr. Speaker, there can be no justification for our exports exceeding our imports to the extent that has been the case in the past.

Some people take the stand that our main trouble arises from the fact that we have a small population, and they advocate that we should have increased immigration. But recent statistics show quite clearly that an increase in immigration does not necessarily mean an increase in population. It stands to reason that unless we are going to make social conditions in this country of a desirable nature, people are not going to stay. In that case the result of immigration is merely a floating population, with people coming in one door and going out the other. Then, again, if we are going to bring industrial workers into this country, those industrial workers, utilizing the modern equipment available in Canada to-day, will be able to produce goods greatly in excess of those their purchasing power will buy, so that the demands of the home market will not be increased in relation to the production of the country. Mr. Speaker, in view of the fact that foreign trade and immigration will not solve the problem, we once more stress the fact that we should stimulate the home market so that the people of Canada may be able to consume to the utmost of their desires or to the full capacity of industry to satisfy those desires, whichever may come first.

I do not wish it to be thought that I am denouncing the value of foreign trade. As the hon. member for Lethbridge (Mr. Blackmore) has already stressed, we realize full well the value of foreign trade, but what we criticise is the policy of this government with regard to foreign trade. The Liberal party appear to take the stand that they are willing to allow a low standard of living in Canada in order to make available a greater quantity of goods for export. I do not say that this is the deliberate intent of the Liberal party, but this appears to be the result of their policy. We take the stand that the correct function of foreign trade is the exchange of the surplus of those goods that we can produce most economically for the surplus goods of other nations that we cannot produce economically or in sufficient abundance.

Why is it that the home market of Canada does not create an effective demand for the production of Canada? We have stressed the reason on several occasions in the house and no doubt will continue to do so in the future. The principal reason we have emphasized is that the producers of consumer goods are not able to create an effective demand for the total of their production. Therefore it becomes essential that additional purchasing power shall be issued outside industrial systems in order to make up that deficiency. The first time I spoke in the house I referred to the fact that a definite relationship should be maintained between the production of capital goods and the production of consumption goods, and I pointed out that this relationship should be so adjusted that salaries, wages and dividends paid out in the production of capital goods would be equal to the deficiency of purchasing power that existed as between the total prices of consumption goods and the total effective demand of the people. Perhaps I might quote from a very interesting article that appeared in the Canadian Business magazine, entitled Is A Major Depression Ahead, because it carries out what I have just been saying. At page 18 the article states:

At the beginning of this article, we mentioned that it was difficult to foresee what

would check the present downward spiral of decreasing purchasing power. . . . Until now, the disequilibrium between revival in the capital goods industries and those catering to a consumer demand has been one of the stumbling blocks to sound prosperity.

It is quite evident that the necessary relationship is not being maintained to-day, and until steps have been taken to increase the purchasing power of the people it is quite obvious that the people of Canada are being deprived of the goods that are available or that can be made available.

What is mainly responsible for the present partial recovery? On this question I think it is only right that we should be perfectly frank and face the situation as it exists. As some members have already stated, the main reason is the fact that the major nations of the world are spending millions upon millions of dollars on armaments. Here I should like to refer to the October letter of the Canadian Bank of Commerce. Referring to this question the letter points out that this foundation is not only unsound but is also undesirable. I quote:

Moreover, it had become increasingly apparent that most nations were drawing heavily upon their immediate and future resources to engage in rearmament. This program, though giving an immense impetus to world business, must eventually result in a substantially increased financial burden. With world armament expenditures estimated this year at the colossal sum of 15 thousand million dollars, and fully half of European industry devoted in varying degree to armament activity consequent upon the 8 thousand million dollars apportioned for this purpose by five major powers, world industrial production soared in recent months above that of 1929, while international trade rose practically to the level of that year. Yet, as will be seen from the following account of economic developments abroad, strains and stresses have become more evident, and have had something to do with the recurring "incidents" and "crises" which recently brought people everywhere to the most anxious frame of mind in many years.

Following that argument I do not think anyone would try to say that our prosperity today is based upon either sound or desirable foundations. I listened with a great deal of interest to a speech made a few months ago by the Minister of Finance (Mr. Dunning). I had the opportunity to hear his voice from the screen of a moving picture theatre. On that occasion he indulged in the common practice of throwing bouquets at the Liberal party, and he pointed out that the prosperity and partial recovery in Canada was to a great extent due to the fact that the mining industry had considerably increased production and export. I believe his figures indicated that the production of minerals had increased in the last two years from $190,000,000 to about $350,000,000. At the present time I believe the figures are considerably higher than that.

As has been pointed out in the Bank of Commerce letter, the present prosperity in Canada has been brought about to a large extent by the armament programs of foreign nations, and those programs have accounted for the marked increase in demand for our minerals. Those increased demands are due entirely to the warlike activities of foreign nations. The inconsistency in the minister's speech, so far as I was concerned, was when he said, in order to round out the picture: "Let us pray for international peace." If international peace comes the market vanishes, and down we go into the depths of depression. So much for the Liberal party's policy of increased foreign trade on that basis.

We are well aware that at the present time a wave of horror and repugnance has swept across the civilized world because of the actions of Japan in committing atrocities in China. That reaction has become evident through the demands by many organizations and individuals that boycotts be instituted against goods imported from Japan. Yet we in Canada are today supplying the major portion of certain essential minerals Japan is utilizing in the production of those armaments which are creating destruction in China.

The hon. member for Lethbridge quoted figures to show the amount of minerals being exported today from Canada to Japan. It seems to me that we are taking a most inconsistent stand. In view of the fact that we are deliberately aiding and abetting Japan in her actions through the export of tremendous quantities of minerals, we are not in a position to criticize the action of Japan in China. It has been said that if we were to place an embargo upon the minerals to be exported to Japan there would be a danger that that country might declare war on Canada. I am glad to say that New Zealand has had the necessary courage to take that very action, and has placed an embargo upon the export of scrap iron. I realize that the amount of minerals exported by New Zealand may be small, when compared with Canadian exports. No doubt that is the reason why we are not prepared to place an embargo upon these exports. Apparently we are more interested in the profit derived by these industries than we are in helping to save human lives.

I believe an ever increasing number of people are beginning to realize that the prosperity of Canada should be based not

only on a sound but on an honourable basis. We cannot be proud of a prosperity brought about by the export of minerals to a country such as Japan, in the light of her activities against China today. I would suggest that Canada should lead the world by putting her own house in order.

Let us briefly review the situation. To-day there is a chronic shortage of purchasing power in the hands of many Canadian people. Second, our potential production is considerably in excess of the present effective demand of the people; it is not in excess of the physical demand, but it is in excess of the physical demand backed by money. Third, a large number of national projects are sorely needed throughout the dominion. Then, one might well ask why in the name of common sense and Christianity, in a democracy such as this, we do not put those national projects into operation so as to make certain necessary services available to our people, and thereby distribute the purchasing power so sorely needed to make an effective demand against the goods available in Canada to-day.

I was interested in a statement by G. D. H. Cole, Professor at Oxford university, which appeared in the Sunday Pictorial. He was referring to conditions in England which, I suggest, are applicable to Canada, and stated:

> Nevertheless, despite rearmament, there is a danger of employment falling off. House building is past its peak. Traders in many lines are carrying very heavy stocks.

I would refer particularly to the last sentence, in which reference is made to stocks carried by traders. There are people who say, when it is suggested that social credit proposes to put purchasing power into circulation, that there would be no goods to meet the demand. I would point out that, as Cole says, the traders are carrying heavy stocks of goods. He continues:

> It will not do to be overconfident, as the government appears to be, that rearmament activity alone will be enough to prevent a slump from happening. What, then, ought to be done? The answer, I think, is simple; and I shall proceed to set it out here.

I suggest that the answer might well apply to Canada.

> Keep money cheap and plentiful . . . get plans ready. Prepare and have ready to start without any delay plans for house building, school building, road making, electrical development, and so on, so that these schemes can be used to provide employment and put money in the consumers' pockets the very moment there is any sign of the demand for labour falling off.

I suggest that we might well take that advice and prepare a plan to put national projects into operation in Canada, not merely for the purpose of producing work but for the sake of providing services required. Then the money paid out through these projects would help to make up the deficiency of purchasing that is so chronic to-day.

Last session the Minister of Labour (Mr. Rogers) stated that in his opinion public works were not a permanent solution. Of course hon. members in this section of the house readily agree with him in that statement. They cannot be a permanent solution, because eventually all necessary works will be completed. Then, whether one likes it or not, the inevitable solution must be a social dividend paid as a supplement to wages. That is, as the hours of labour are reduced, as eventually they would have to be, reduced wages can be made up by a social dividend, or by a reduction in price, through a price discount financed by the federal government.

Of course the question immediately arises: How will these projects be financed? I would point out that that question does not come very well from the present Liberal government. Hon. members in this corner have stressed time and again how we believe those projects should be financed, namely by the use of national money. Two years ago hon. members in the group to which I belong refused to support an amendment to the address in reply to the speech from the throne moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) because that amendment involved a vote of want of confidence in the government. At that time the Liberal party had made certain definite promises with regard to monetary reform, and we thought that if those promises were implemented a considerable improvement could be brought about in conditions throughout the country. Therefore at that time we refused to support the amendment. To-day we find a very different situation. After two years not only has the Liberal party refused to carry out its promises but, in a statement he made last year, the Prime Minister (Mr. Mackenzie King) showed clearly that what he actually meant was not what the people thought he meant. Therefore we shall take great pleasure in supporting the present amendment of the right hon. the leader of the opposition (Mr. Bennett).

What was the statement made by the Prime Minister during the election campaign? What was the statement that echoed from one end of this dominion to the other? What was the statement that was hurled as a challenge from every Liberal platform? I think that statement is within the memory of all of us; it was, "currency and credit in

terms of public need." The Liberal candidates in that election did not leave the people of the country in any doubt as to what was meant by that expression. They told the Canadian people how national projects would be put into operation throughout the country and how those projects would be financed by the national credit. The Prime Minister has since shown quite clearly what was in his mind when he made that statement. I refer hon. members to page 3806 of Hansard of 1936, as follows:

. . . there will be employment for all provided out of funds which this bank, by some mechanical process or other, will turn out. I want to make perfectly clear that that kind of thing has never been expressed by any person speaking with authority on behalf of the Liberal party.

A large number of Liberal candidates in the last election told the people that that was exactly what the Liberal party proposed to do, and yet the Prime Minister states that no person had any authority to make a statement of that kind on behalf of the Liberal party. It would appear that a number of totally irresponsible Liberal candidates were running around during the last election and some of those candidates are now members of the house. I am not saying that they are irresponsible; I am simply taking the statement of the Prime Minister that any Liberal member who made that statement is irresponsible.

The Prime Minister has not been very clear in his definition as to what currency and credit in terms of public need actually mean. However we find that during the election he made this statement on a number of occasions, to be found at page 3805 of Hansard:

A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people.

Does any hon. member suggest for one minute that that is being carried out today? Would any hon. member suggest that the domestic and social requirements of the Canadian people are being adequately met? That is what was promised by the Prime Minister during the election campaign. As those promises have not been implemented, we urge the government that they be implemented immediately in order that national projects may be started adequately to take care of the domestic and social requirements of the Canadian people.

The Prime Minister evidently anticipated a certain amount of difficulty in implementing this promise because, as has been referred to by the leader of the opposition, he has said that Canada is faced with a great battle between the money powers and the powers of the people, a battle that will be waged in the next parliament. We in this corner of the house have been waiting patiently for that battle to materialize.

On behalf of this group I can promise that if that battle should ever materialize the government will have our full support.

Instead of such a battle materializing it would appear that this government has been engaged in a love feast with certain financial powers or money barons of this country. This would seem to be borne out by the action of the government in running to the assistance of the bankers in Alberta when certain legislation was passed. That action is especially strange in view of certain promises made by the Prime Minister during the election campaign. I should like to quote from a speech which he made in Saskatoon in 1935, as follows:

In Alberta at the present moment the government was launched on the experiment of social credit. "I hope with all my heart that they will be successful," said Mr. King, assuring the audience that if he was returned as Prime Minister of Canada, Alberta would be assured of the greatest freedom in carrying out its experiment under the Liberal policy of not interfering with the rights of the provinces.

That was the attitude of the Liberal party during the election campaign. Apparently that was still the attitude of the Liberal party prior to March 30 of last year, when the Minister of Justice (Mr. Lapointe) made the following statement in reply to a question by the hon. member for Winnipeg North Centre (Mr. Woodsworth) regarding the padlock law:

If, as the hon. member suggests, it is ultra vires, then the courts will so rule. The courts will declare that it is ultra vires, and it is better that the courts declare than that the Minister of Justice do so because there would be no appeal from disallowance by the minister.

Many people in Alberta believe it is a great pity that the Minister of Justice and the government have not continued to think as it was evident they thought on March 30 of last year. One wonders why there was a sudden change in policy on the part of the Liberal government with regard to Alberta. That change apparently took place shortly after the members of the cabinet returned from the coronation. It makes one wonder whether that change was the result of the delegates to the coronation absorbing some of the atmosphere of financial imperialism which they

encountered in England. It makes one wonder whether that change was the result of their rubbing shoulders with Hitler in Germany.

We in this corner are not in a position to know just what was the reason for that change in policy, but we are in a position to judge what the results have been. One of the results of that change has been a distinct discrimination against Alberta. This discrimination is resented by the people of Alberta all the more because it comes as a culmination of many previous acts of discrimination against their province by this government. Perhaps I should review briefly some of those acts of discrimination.

I should like to take hon. members back to April 1, 1936, when Alberta defaulted on certain maturities. It will be remembered that Alberta asked financial assistance from the federal government in order to meet certain maturities. Certain other western provinces also asked for assistance and the federal government agreed to give this assistance provided the provinces became a party to a loan council. It was generally recognized at that time that should the province of Alberta become a party to a loan council, all chances of putting social credit into effect in that province would be killed.

I have referred already to the statement of the Prime Minister that he hoped from the bottom of his heart that Alberta would be successful in that experiment, and that nothing would be put in the way of Alberta to prevent it from succeeding. In view of that statement it seems strange that shortly after, the government should try to saddle a loan council upon Alberta, knowing that if the province accepted such a council it would be impossible for social credit to succeed. That does not appear to be a consistent or sincere attitude.

The premier of Alberta realized only too well that if the province became a party to the loan council it would be impossible to proceed with social credit. The government of Alberta had been elected on the definite understanding that they would try to implement social credit, and therefore when the federal government issued their ultimatum that the province would have to support the loan council in order to receive financial assistance, Mr. Aberhart had these two alternatives before him: Either he had to default or else he must betray the people of Alberta who had put him in power. I think he is to be congratulated, Mr. Speaker, upon having had sufficient courage to refuse to betray the people of Alberta and to follow the course he did.

Now on the question of discrimination, where the discrimination comes in is this: Shortly after Alberta had defaulted, the loan council plan was modified and again submitted to the provinces of this dominion. Some of the western provinces had refused to become a party to the loan council as it was first proposed, but after it had been modified they agreed to become parties to it. The point I want to stress is this, that Alberta was never given a chance to become a party to the modified loan council before she defaulted, and that is where the rank discrimination comes in.

Second, we all realize to-day that had Saskatchewan and Manitoba received the same treatment that Alberta received, both those provinces would have been forced to default. There is no question about that.

Third, there is the question of the Quebec padlock law. When the hon. member for Winnipeg North Centre asked the government to disallow certain legislation of the province of Quebec, we were told that the government did not consider it advisable to disallow that legislation, that it was better to allow the courts to decide upon it. Yet when the Alberta legislation came up for review, this government evidently decided that it was wise to run to the rescue of the bankers rather than allow them to fight their own battles.

Mr. DOUGLAS: It all depends whose chickens are stolen.

Mr. QUELCH: Yes, one was the social credit province of Alberta, and the other was a Liberal province.

I should like now to say a few words about the Rowell commission, because there again we consider that rank discrimination has been shown against the province of Alberta. The Rowell commission was formed for the purpose of trying to bring the provinces closer together, and it was essential for that purpose that an impartial body of men should be appointed to the commission. But what do we find so far as western Canada is concerned? Two western men were chosen, Mr. Dafoe and Mr. Angus. Mr. Dafoe has consistently attacked the principles of social credit, and has made slanderous and libellous attacks upon Major Douglas, Premier Aberhart and members of his cabinet. Mr. Angus was employed by the so-called Economic Safety League during the provincial election to attack the social credit candidates who were running in that election. Was it likely, therefore, that these two men would command the confidence of the people of Alberta?

Is it likely that they will be able to deal impartially with evidence that comes before the commission from that province?

Before closing, Mr. Speaker, I should like to touch very briefly on a subject that I had not intended to deal with tonight because I had not thought I would have the time, and because it can be dealt with better and in more detail upon some other occasion, and that is the question of feed in the drought area. I see the Minister of Agriculture (Mr. Gardiner) in his seat. I had quite a bit of correspondence with him on this subject. While fully realizing the magnitude of the problem he is trying to handle, I deeply regret that the federal government should have considered it necessary to impose the restrictions they did regarding the supply of feed relief in the drought area at this time.

We know that in many parts of the drought area—I am especially familiar with conditions in the constituency I represent—many farmers, particularly in the eastern part of my constituency, are no longer farming land. They dare not plough up the land on account of soil drifting. They have succeeded in keeping off relief by keeping five or six milk cows, and that is practically all they have to depend upon for a living. They are raising no crop, and they deserve to be congratulated upon having kept off relief in the past. But to-day many of them find themselves without any feed, and they have had to apply for assistance. They were told that they could not get any assistance unless they cut down their small herd of cows to two, if they have a family of two children, or three or four if they have three or four children. The result has been that these farmers have been thrown on relief, and it is very hard to see how they will ever be able to get off relief.

I know the reason has been given that there was not a sufficiency of feed to make it possible to carry a greater quantity of stock, but I am satisfied that when the spring comes we shall find thousands upon thousands of tons of straw that have never been used. Why? Because the amount of money allowed in payment for that straw is not sufficient to cover the cost of baling and hauling the straw to town. All the farmer is paid is $3.50 a ton.

Mr. GARDINER: $4.50.

Mr. QUELCH: The farmers who live quite a distance from town cannot bale the straw and haul it to town and cover the cost of handling it. They are better off keeping the straw at home. I have spoken to many farmers with a large amount of straw, and they have told me they have not been offered a price for straw which would pay the cost of handling it, that they could not possibly handle it at the price offered.

Mr. GARDINER: The provincial government are handling that.

Mr. QUELCH: It has to be financed by the federal government, and the federal government will not pay more than that. Again, some of the farmers have Russian thistle which will do for cattle that are not milking, and if the federal government had made money available to buy grain, there is plenty of grain available. It is not as if this condition had arisen just this year or last year, because, Mr. Speaker, in the constituency I represent it has been necessary to give drought relief in every single year since 1918.

Mr. GARDINER: If the hon. member will permit me, the regulations he refers to are the regulations which were presented to us by the provincial government.

Mr. QUELCH: I understood that there were definite regulations laid down by the federal government as to the conditions upon which that money would be granted.

Mr. GARDINER: The terms of the agreement are that the regulations shall be made by the provincial government and be approved by us.

Mr. QUELCH: And what were your regulations?

Mr. GARDINER: They made the regulations and we approved them.

Mr. QUELCH: Did you leave it wide open?

Mr. GARDINER: We did not do anything about the regulations except to approve them.

Mr. QUELCH: In that case you must accept the responsibility. But I received information from the minister of agriculture in Alberta, from which I understood the conditions were quite different. I shall not go further into that matter now, because a better time will be when the estimates come up and the matter can be discussed in greater detail. I shall then be prepared to discuss it at greater length, and there are many questions I should like to ask.

We are supporting the amendment moved by the right hon. leader of the opposition because we feel this government has had plenty of time to implement its promises of

monetary reform and yet has failed to implement them. The Prime Minister has definitely told us that what the people thought he meant is not what he meant, and we know now his real stand also on the question of currency and credit.

Mr. M. C. SENN (Haldimand): Mr. Speaker, following the example of those who have already spoken in this debate, I wish to offer congratulations to the mover (Mr. Francoeur) and the seconder (Mr. Warren) of the address in reply to the speech from the throne, upon the acceptable way in which they discharged the task which was assigned to them. Both of them referred to the second paragraph of the speech from the throne, which mentions the coronation of their majesties, and I concur most heartily in the sentiments expressed by these hon. gentlemen and others regarding that happy event, and desire to express my own hope that their majesties' reign may be a peaceful, happy and prosperous one. The participation of so many Canadians in the coronation celebrations, both at home and abroad, would seem to be an indication to their majesties and the world that Canada is proud of her position within the British commonwealth of nations and that she is ready to stand shoulder to shoulder with other parts of the empire whenever difficulty or danger may threaten.

I listened this afternoon with a good deal of interest to my hon. friend from Huron North (Mr. Deachman) as he described what he conceived to be the conditions in agriculture to-day. He painted a dismal picture, but I am certain that that picture was not too harshly presented, and later on in my address I shall discuss this matter at greater length. Before doing so, however, I should like to say a word or two about a matter that was mentioned by the seconder of the address (Mr. Warren), namely, the benefits that Canada has derived from the trade agreement with the United States, which went into operation two years ago.

Many of our Liberal friends are taking great credit for the beneficial results of the agreement, particularly in regard to agriculture. It cannot be denied that in certain lines of agriculture our exports to the United States have greatly increased. This is particularly true of cattle, our exports of which have more than doubled in the two year period. To say, however, that this increase was due wholly to the one cent reduction in the tariff on our cattle seems to me to be scarcely correct. Owing to certain policies which were followed by the present administration in the United States in curtailing production, a scarcity of cattle ensued in that country in the past two years, and this scarcity has caused the price of cattle across the line to rise to an exorbitant figure; so that even if we had not enjoyed the one cent reduction in the rate on cattle entering that market, I am sure that there would have been a very large increase in our exports. During the last few months, however, the price of cattle in the United States has dropped off to a great extent, and there has been a corresponding reduction in our exports. I fear that there will be a corresponding reduction next year, and that our exports will be disappointing in that respect.

I have before me a list of some fifteen farm products which enjoy a lower rate of duty than formerly in the United States tariff. The exports of every one of them increased during the year 1936; but of the fifteen, the exports have been reduced in the case of ten during 1937 as compared with 1936, and it seems to me that the same condition is responsible in this case as in the case of the falling off in cattle exports during the past few months; that is to say, the price in the United States has dropped in these particular lines of products. As time goes on and another year is passed we shall find that the exports in these particular lines will have been very disappointing indeed.

For the first thirty years of this century, in our dealings with the United States we had an unfavourable balance of trade of approximately five and a half billion dollars. This is a vast sum of money; it is greater than our national debt, and about five times the total agricultural production in the dominion last year. This flow of money out of the country has greatly retarded our progress, and it has had a grave effect upon our economic and industrial life as well as upon the population generally. When the change was made in the tariff in 1930 this unfavourable trade balance began to improve, and it gradually dwindled until in the years 1934, 1935 and 1936 we had a favourable trade balance of some $120,000,000. Immediately after the present trade agreement with the United States went into effect, however, a change became apparent, and in 1937 we had again an unfavourable balance of trade of some seven or eight million dollars. The significance of these figures cannot be overlooked. The effect of the tariff changes in 1930 was to discourage imports and to keep our money in our own country, whereas the effect of the present agreement has been to encourage imports again so that once more we are facing a definite flow of money across the border.

I would refer to paragraph four of the address, wherein reference is made to a substantial advance in economic recovery in

Canada. Everyone, regardless of his party inclinations, should, and I believe will, rejoice in every evidence of returning prosperity. Expanding revenues and increasing trade are desirable, and to the extent that they are a reflection of better times everyone should be gratified. It is impossible, however, to agree with the contention of many government supporters, which is so often expressed, that the depression was due to Conservative policies and that any recovery which is now taking place is to be ascribed to Liberal administration. The downward trend in business and revenues, in employment and trade was not confined to Canada but was world wide and was well under way before the late government took office, just as the upward swing began before the change of government in 1935.

The conclusions that are so often voiced by supporters of the present administration with regard to better times in consequence of expanding revenues and trade seem to me to be too optimistic when we consider conditions that prevail in Canada. There is still an abnormal number of people on relief; unemployment figures are still very great; agriculture is in a lamentable state of insecurity, and the prosperity about which we so often hear seems still to be lurking around the corner.

I wish now to devote a few moments to a discussion of the position of our great basic industry, agriculture. The seventh paragraph in the speech from the throne reads:

> The Department of Agriculture has been reorganized and its services consolidated along lines designed to improve the standard and acceptability of Canadian farm products.

This is the only reference in the speech to agriculture and it is significant that no mention is made in this paragraph of any betterment of conditions in the agricultural industry. When the Minister of Agriculture (Mr. Gardiner) announced last year that he was going to organize a marketing division in his own department, many people were hopeful that some good would be accomplished, but I am afraid that their hopes have been more or less shattered in the last few days.

I had the privilege and the pleasure the other evening of listening to an address delivered by the Minister of Agriculture before the Canadian Council of Agriculture and broadcast over a nation-wide hook-up. In the course of that address the hon. gentleman said that the marketing division in his department had now been organized and that the government's marketing policy had been formulated. I am glad to see that he is in his seat, so he will understand that I have no desire to misquote him. He outlined his policy to the gathering that evening, saying it was fourfold in its nature. First, he announced that the government would give assistance to and cooperate with the provinces to improve production. Departmental activities, both provincial and federal, have been directed chiefly towards this very object for many years past, and, I may say, with good results; so it was only to be expected that the department would continue its activities in this direction, although sometimes farmers say they are surfeited with pamphlets and advice some of which is not too practical. Secondly, the minister stated that the marketing division intends to extend and improve the grading of farm products for export. Once again may I say that such a course was only to be expected, because there has been gradual advance along those lines for many years. His third idea was to adopt a national mark for Canadian products which are to be exported. I am free to say that I believe this is a step in the right direction. Lastly, he stated that an agricultural commissioner is to be sent to London to further sales of Canadian farm products and to provide information to Canadian exporters.

Mr. GARDINER: I did not use the word "sales."

Mr. SENN: Well, at least to provide information to exporters. Is that a fair statement? It seems to me this will be a duplication of services which are already provided by the Department of Trade and Commerce, that department having had representatives in England for many years.

Mr. GARDINER: May I call the attention of the hon. member to the fact that, as he knows, I read the speech the other night; it is all in print and there was nothing at all said about sales or promotion of sales.

Mr. SENN: Well, at least I understand there is to be a commissioner sent to London for certain purposes.

Mr. GARDINER: An agricultural commissioner.

Mr. SENN: To provide information, as I understand, to Canadian exporters regarding marketing matters in the mother country.

Mr. GARDINER: No, I said to the Department of Agriculture.

Mr. SENN: Very well. I listened carefully to the whole address. I could not grasp it all because the minister was talking very rapidly, but I saw a report of his speech in

the newspapers and I can say that as far as the sales part of his remarks is concerned I took that from the report in the newspaper. It is very disappointing to me, and I know to others, that nothing further has been formulated in this respect. The policy as announced by him I think would not justify the organization of a marketing division, or accomplish much in solving the farmers' chief problem, to which I shall presently refer.

At this point I should like to say that when discussing this question I am not speaking of the wheat farmer of the west. Frankly, I do not understand his problem. Wheat growing stands almost alone as a branch of agriculture in Canada, because a large proportion of our wheat crop must be exported. In all other lines of farm production the great bulk of our goods is consumed in this country. I wish it understood that I am referring to those other lines of agriculture rather than to the problems of the wheat grower.

Standards of living on the farm have gradually changed during the past thirty years, and I am glad to say that the change has been for the better. The average farmer to-day enjoys many of the advantages of city life, while escaping some of the disadvantages. With the coming of the motor car, of hydro, of rural mail delivery, with the building of better highways and the installation of labour saving machinery, living conditions on the farm have naturally improved. But this has resulted in a corresponding increase in outlay. In addition, due to various causes, the farmer's cost of production has increased materially. Unfortunately the revenue derived from the average farm to-day has not increased to the same extent as has the farmer's cost of living. For years many farmers have been forced to live beyond their income in a vain attempt to keep pace with changing conditions.

It is often said that a farmer, like anyone else, should live within his income. This should be so, but if the average farmer is to keep his boys and girls on the farm he must see that they enjoy the same privileges as the young people of other classes in the community. The farmer in Ontario and the eastern part of this country too often has had to deplete his resources or perhaps to go into debt, hoping vainly from year to year that times would improve and that there would be a change for the better in farming conditions. As a result of this the census of 1931 showed that there has been an exodus from the rural parts to the city, and that our urban population now exceeds our rural population. But, more serious still, during the same period there has been a gradual and alarming depreciation in land values, amounting in some cases to as much as 50 per cent. Many farmers who a few years ago were fairly well-to-do have found their equity in their holdings partly or wholly wiped out, while others who have grown old and have been forced to retire from active work find that the income from their holdings today is not sufficient to provide for their old age.

I now intend to make a statement which may be challenged by those engaged in other lines of industry, but I am sure my friend the hon. member for Huron North (Mr. Deachman) will agree with it. It is this; The prices realized by the farmer for his products today do not bear a fair relationship to other commodity prices. Occasionally scarcity has raised the price of farm products to high levels, but generally speaking when there is a surplus in any line of farm production prices fall to an unprofitable level. Price fluctuations are very rapid and violent, and a proper equilibrium has not been maintained between prices realized by the farmer for his products and prices he has to pay for other commodities and for labour. There seems to be also a gradual widening of the margin between prices received by the farmer and those the consumer has to pay for his products. The result is that farm revenues have not kept pace with production costs and the increased cost of living and the additional expenditure necessary to maintain the newer standard of living to which I referred.

The other night the Minister of Agriculture in his address made another statement with which I entirely agree; in fact, I intended to make use of it myself before hearing him. He said that the new wealth created each year by primary production helps to maintain the buying power of the country and is in large measure the controlling factor of distribution. Now the farmer is the greatest producer of primary wealth in Canada, so it is important that his revenue should be as great as possible in order that he can purchase his share of other merchandise. It is most necessary that a proper balance should be maintained between farm and other commodity prices, but I fear that balance will not be maintained so long as the law of supply and demand has full scope in determining farm prices. As I have already said, rapid and violent fluctuation in farm prices has been the rule rather than the exception.

The farmer has to make his plans many months before he places the finished product

on the market. A year must elapse from the time his wheat is sown until it is ready to harvest and market, and the same or even more time is required to produce and market almost any of his other products. During that period prices fluctuate and even the greatest prophet cannot foresee price levels a year or more ahead. Moreover much of the farmer's product is perishable and must be marketed when it is ready, regardless of what the price level may be. So whether prices are determined by the law of supply and demand or by manipulation, as some people say they are, the revenue of the farmer is most uncertain and bears little or no relation to his cost of production.

This fact has been recognized in many countries, several of which have made attempts to stabilize and maintain farm prices at reasonable levels. Under the present administration the United States made the experiment of curtailing production in order to overcome surplus conditions and raise prices, with at least some temporary success. Australia put into effect what is known as the Paterson scheme, bonusing exports in order to maintain a reasonable level of domestic prices. Great Britain established the quota system in order to maintain prices by means of quantitative regulation of imports. France, Germany and Italy have bonused the production of cereals within their own countries and have erected impassable trade barriers with beneficial results so far as production and prices are concerned.

In Canada the former administration took action to halt the downward trend of wheat prices. It was only an emergency measure, but it was successful in returning many extra millions of dollars to the pockets of the western farmers. The Natural Products Marketing Act, which was condemned by the Liberal party when in opposition and which lately has been declared ultra vires by the courts, was devised for the purpose of assisting cooperative marketing, and it cannot be denied that some of the schemes operated under this legislation were highly successful, notably in raising prices to tobacco growers of Ontario and Quebec and the fruit growers of British Columbia.

Many lines of industry in Canada, with the exception of agriculture and other primary industries, have adopted some method of price maintenance. No doubt my hon. friend from Huron North, who spoke this afternoon about the condition of the farmers, will not agree that this is a sound practice, but I wish it to be distinctly understood that I am not finding fault with such a system. I believe it is here to stay and nothing can be done that will change the situation as it presently exists. Labour has its union scales of wages and its hours of labour. Civil servants and employees drawing salaries have fixed incomes. Lawyers and doctors have schedules of fees which are more or less rigidly maintained. Prices of manufactured goods bear a close relationship to the cost of production. We have minimum wage laws. We have a railway board which sets the rates charged by our public utilities, having regard to cost of operation. There are fair wage clauses in our government contracts, but I should like to direct the attention of the house to the fact that there is no provision that fair prices shall be paid for farm products purchased by public institutions.

It is only reasonable to suggest, therefore, that agriculture stands alone in that its price structure is not constant and is determined by factors which the individual farmer cannot control and which are too often unsatisfactory and unfair. The policy of relying upon foreign markets as a solution for the problems of the farmers in my judgment can never be successful. With the exception of wheat and cheese, from 85 to 95 per cent of all Canadian farm products find a place in the domestic market and are consumed here. It seems to me the domestic market is the farmers' most valuable asset. The price realized in foreign markets for the small remaining surplus that must be exported determines to a large extent what our domestic price shall be. Unfortunately in foreign markets our products come into competition with goods produced in other countries where climatic and other conditions ensure a low cost of production. Therefore we cannot expect that a fair or satisfactory price structure in Canada can be maintained upon this basis.

Personally, Mr. Speaker—and I am speaking for myself alone—I see no reason why farm prices cannot be regulated in this country along the same lines as the prices are regulated in other industries that I have mentioned. It is already being done in the fluid milk field in a number of provinces and in the tobacco growing areas of both Ontario and Quebec, and has been successful in both cases. It is worthy of note that those engaged in the collection, grading and resale of fluid milk and tobacco have not suffered in any way by the stabilization of prices to the grower. Different schemes, of course, will be necessary to stabilize prices in different lines of agricultural production, but I am confident that by experiment and study such methods can be devised. It is needless to say that such schemes would be impotent unless the farmers' home market were safeguarded from exploita-

tion through the influx of foreign goods. I repeat that the domestic market is the farmers' most valuable asset. It can remain such only if it is carefully preserved and if some reasonable and stable price structure for farm products is devised.

These are the reasons why I was disappointed with the policy of the new marketing division, as outlined by the Minister of Agriculture. I am not condemning these policies merely for the sake of fault-finding. I believe other policies could have been adopted which would have been much more satisfactory and worth while. May I say to the house that I am making these proposals simply because I believe they constitute the only constructive remedy for the stagnation which exists in the agricultural industry of Canada at the present time.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, it is with a good deal of misgiving that I rise to make a few observations. When I entered the house this session it was with a feeling of reverence and awe that I looked to my left, to see vacant seats formerly occupied by men for whom I had high respect, who are now in another place. Somebody asked who was going to be next. Well, after all, it does not matter who is next. When men have served their God and their country and are busy doing good things it does not matter who is next. So it is up to us to see that we do the things worthy of the highest and best in manhood.

My first impression of the speech from the throne was very fine. As I stood in the senate chamber and tried to hear the governor general deliver his speech my first impression was that it must be a very fine one because there was not a senator in the chamber who shook his head nor was there a beautifully adorned lady who was not enjoying it to her heart's content.

However, as I listened later to the leader of the opposition (Mr. Bennett) my impression was to some extent changed. I thought it could not have been such a fine speech after all. I find that the right hon. gentleman is reported as follows at page 25 of Hansard: "We have retained the three cent postage rate." I do not know whether the right hon. gentleman or any other hon. member wants to reduce the rate. If he does, then there is one very good way to do it, one which I suggested last year. Let us begin at home, and reduce our franking privilege. I do not think there would be a dozen men in the house who would wish to do it.

I must say that I commend the Postmaster General (Mr. Elliott) for his hearty cooperation with us at the head of the lakes in striving to improve our rural mail delivery, and to extend it so that men will not have to travel ten miles to get their mail.

What I have to say will be in the form of a few suggestions to some of the ministers. First, I should like to commend the Minister of Labour (Mr. Rogers) for the way in which he has stuck to his task. I commend him, first, because the relief camps have not been reopened. To my mind those camps were only an emergent measure and they had long outlived their usefulness and had become a curse. When I saw a young university student who had passed with honours in his second year engineering course receiving only twenty cents a day in Thunder Bay district, or anywhere else in Canada, I realized that an improper condition existed. I believe the propagation of communism was removed when those relief camps were put out of business.

May I point out to the minister, further, that many hon. members have had delegations wait upon them from the youth movement of Canada, impressing upon us the necessity of continuing the training of our unemployed youth. I hope the minister will not permit anything to come in the way of continuing that training, so that they may be fitted for worth while tasks.

I should like to make another suggestion to the Minister of Labour. While I know it is not within his sphere to curtail the hours of labour, and while I know that is a matter within the control of a provincial government, yet I do believe that the hours of labour must be cut down. If a man working in an office from nine o'clock to twelve o'clock earns a half day's pay and if by working from one o'clock to five o'clock he earns another half day's pay, I say the blacksmith, the sheet metal worker, the machinist, or the paper worker should have his hours of labour cut down accordingly, because it is just as necessary that he retain his health. I would suggest that all unorganized labour should work no more than eight hours per day, and that unorganized labour should have the right to organize anywhere without the danger of losing their jobs. I am sure the Minister of Labour will agree with the statement of the President of the United States that low wages are suicidal, and he would also agree with the hon. member for Fort William that unemployment is slow murder.

May I congratulate the Prime Minister (Mr. Mackenzie King) upon the provision in the speech from the throne for an unemployment insurance measure. We hope before very long there will be a measure providing for state medicine, something about which we shall hear more a little later on. It is true that many attempts have been made to pass

this kind of legislation, but I do not think there is any hon. member who will doubt the sincerity of the Prime Minister in his efforts to have unemployment insurance provisions made effective. Had he been otherwise disposed, he would not have brought the matter before the house so early in the session.

Unemployment insurance affects keenly the workers at the head of the lakes who are connected with operations of the board of grain commissioners. There are grain samplers, weightmen and other employees of the board who cannot make a decent living because they are given three months holidays or more without pay. Those men are not receiving any more than a living wage at any time, and because of their enforced idleness they suffer undue hardships. They are returned men.

May I mention one example respecting a man who was laid off because of only seasonal employment. The man's wife had baked a ton of flour the previous winter, but this winter she has not been able to bake, and he has had to turn in and do the housework. I do not believe the government wants our returned men to live in other than comfortable circumstances. I believe if the Minister of Trade and Commerce (Mr. Euler) would keep an eye on the board of grain commissioners he would get food for thought.

I am sorry the Minister of Pensions and National Health (Mr. Power) is not in his seat. I shall not say he is in a better place, but I do know that he is in a very fine place, because he is helping the Canadian Legion in convention in the city of Fort William. There are one or two points I should like to direct to his attention. Some returned men have found it very difficult to get a proper pension. I do not speak without facts. I visited Ottawa and in particular the Department of Pensions after the session closed. I was well treated, and when the facts were placed forcibly before the department the pension in which I was interested was increased. Unfortunately before the man received his first increased cheque he had passed on to his great reward.

I could give the story of another man who lived on Empire avenue. Although he had no difficulty in securing jobs he could not hold them, because he was not in fit physical condition to work. I visited him daily in the hospital and I know he was a beaten man. We have good doctors in Fort William, just as there are in Toronto, Montreal and Ottawa. One of our doctors made the diagnosis that the man in question was suffering from abscesses on the liver, caused by shrapnel. The doctors in another city laughed at him. When the man passed on I advised his widow to have a post mortem performed, and on performance of that task shrapnel was found in the liver. He did not receive a decent pension, and as a result he, his wife and family were forced to live in poverty. I am going to place the case in the hands of the Minister of Pensions and National Health because in my view she should receive some compensation for the hardships she had to endure during those years when her late husband should have been on full pension. I feel this very keenly. These returned men are wards of the dominion government. If they cannot obtain a decent job with a living wage they should receive an adequate pension.

I know another man who because of his war wounds and the number of operations he had to undergo never was able to have a really comfortable moment. At the time of his death this man was receiving a pension, but this was cut off when he died. His widow and four children are finding it extremely difficult to get along.

I view with alarm any action taken by any province to curtail the freedom of the press or freedom of speech. I think we have a right to keep our eyes open. I do not think any press can be kept provincial in scope. I speak from experience because at the head of the lakes we gave a welcome to two communists. I am far from being a communist, but I believe in freedom of speech. The city council of Port Arthur permitted one of the leading communists of Canada to speak in that city. I do not suppose anyone who heard that man speak was not disappointed. He got off a lot of wise cracks, but those who went expecting to hear a great speech delivered were disappointed.

The city council of Fort William permitted a leading communist from the Clyde to speak. Many in that city threw up their hands and said we were doing a terrible thing. The worst thing that could be said about this man was that some people could not understand his Scotch burr. Again many people were disappointed because they expected to hear some great things. Instead of that man propagating communism, he did the very opposite. As I said a few moments ago, one of the principal causes of communism in our part of the country was the relief camps, but they have since been abandoned.

There are a few things of interest to us at the head of the lakes. I am not a free trader, although I come very close to being one when tariffs affect us at the head of the lakes. We suffer because of the coal subventions. There is a large plant at the head of the lakes which cost about $3,000,000. To-day that plant is

hardly operating and the employees are on part time. While I live in the east I am really a westerner. I know something of Alberta and Saskatchewan, but although I love the great west and the breezes of that country thrill me to the core, I do not like to see western coal coming down to within a few miles of Fort William to the detriment of our workers. I believe I can trust the government to right this matter.

Another difficulty with which we are faced is the freight zoning by the railways. I do not know much about this matter, but I am told that the flour mills at Winnipeg can ship their product to Toronto and the east just as cheaply as the mills in Fort William. I expect that the Minister of Transport (Mr. Howe) will see to this matter in the future. I believe he will remedy it if it can be remedied; if not, he will be man enough to tell us.

I should like to pay a tribute to the Minister of Lands and Forests of Ontario, the Hon. Mr. Heenan. He has done much to solve our unemployment problem. Three years ago I led nearly 600 unemployed from the labour hall to the relief office in Fort William. Last year I stood and watched 1,500 men, most of whom were previously unemployed, heading for the dining-hall of a pulp and paper mill.

I should like to leave one thought with the Minister of Mines and Resources (Mr. Crerar). I should like to think that I shall be living fifteen years from now so that I might see the iron mines of my district pouring forth their precious ores. It is not generally known that iron ore that can be very easily mined is to be found in large quantities at the head of the lakes. I am not saying this in an endeavour to have hon. members invest in these mines any loose cash they might have. If hon. members have any spare money, the best thing they can do with it is to support some decent church that is serving this country or to put their money in a bank where they may be sure of getting it back again.

I should like to make a suggestion to the Minister of Finance (Mr. Dunning) in connection with the large Canadian nickel. This coin should be made either smaller or larger so that it will no longer look like a quarter. I have heard it described as the great deceiver. I asked a porter on a Toronto train how he liked this nickel and he told me he would rather have a quarter any day, that he got too many nickels.

I have another suggestion to make which perhaps may not get very far. Some hon. members have been in the house for a long time, but there is no more chance of their getting to the senate than there is of my visiting the moon. My suggestion is that a pension should be provided for those who have served their country faithfully. I believe that members of the house have as much right to a pension as any other civil servant.

I believe the Prime Minister was wise in not granting a licence for the export of power and thus giving people the chance to ask why he did not get something for the campaign funds. I believe he is right in allowing this parliament to have its say. If it has its say, then it must accept the responsibility.

I think it is our duty to endorse any group of workers who are making an effort to make better citizens of Canadians. I want to pay a personal tribute to the Oxford group. During the Christmas season these workers put out a magazine entitled The Rising Tide. They have shown that if a man places his trust in the almighty dollar, he will soon bow to the power of that dollar, but if he places his trust in the Almighty, he will be in the rising tide and of some use to the country.

On motion of Mr. Coldwell the debate was adjourned.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 9.43 p.m.

Wednesday, February 2, 1938

The house met at three o'clock.

COPYRIGHT AMENDMENT ACT, 1931

FURNISHING OF LIST OF DRAMATICO-MUSICAL OR MUSICAL WORKS OWNED OR CONTROLLED— PUBLIC RADIO RECEPTION OR GRAMOPHONE REPRODUCTION

Mr. W. K. ESLING (Kootenay West) moved for leave to introduce Bill No. 12, to amend the Copyright Amendment Act, 1931.

Motion agreed to and bill read the first time.

LORD'S DAY ACT

PENALTY FOR DIRECTORS AND OFFICERS PERMITTING VIOLATION OF THE ACT

Mr. H. E. BRUNELLE (Champlain) moved for leave to introduce Bill No. 13, to amend the Lord's Day Act.

He said: The purpose of the proposed amendment is to provide for penalties against corporations or directors or officers thereof who either violate or cause their employees to violate the Lord's Day Act.

Motion agreed to and bill read the first time.

CORRUPT ELECTORAL PRACTICES

On the orders of the day:

Mr. R. A. PELLETIER (Peace River): I should like to direct a question to the Prime Minister (Mr. Mackenzie King). The right hon. leader of the opposition (Mr. Bennett) during his speech on the address in reply to the speech from the throne raised a grave issue—

Some hon. MEMBERS: What is the question?

Mr. SPEAKER. Order. I must ask the hon. member to put his question immediately if he has one to direct to the government.

Mr. PELLETIER: My question is: Is it the intention of the government to have the matter raised by the leader of the opposition concerning corrupt electoral practices referred to the committee on privileges and elections under standing order No. 63, or referred to some other committee of this house for investigation?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Peace River (Mr. Pelletier) informed me before the house opened of his intention to ask a question with respect to corrupt election practices. As he apparently is not familiar with the law on the subject or the rules of the house with regard to procedure in such matters I have drafted a statement which I shall give in reply to his question.

Parliament has made statutory provision for the investigation of corrupt practices at elections. Under the Dominion Controverted Elections Act, chapter 50, Revised Statutes of Canada, 1927, any person who has the right to vote may present a petition to a judge of a supreme or superior court, setting out these practices, and, if a deposit of $1,000 is made, an investigation may be held. Under the Corrupt Practices Inquiries Act, chapter 51, Revised Statutes of Canada, 1927, twenty-five or more electors may present a petition to the House of Commons charging the existence of such practices, and, if a deposit of $1,000 is made, the house may direct the government to appoint a commission for the purpose of making an inquiry. The commission in either case must submit a report to parliament, and under standing order No. 79 it is provided that if it appears that any person has been elected by corrupt practices the house will proceed with the utmost severity.

Since parliament passed the above legislation the committee on privileges and elections has never held any investigation with respect to the election of members. In the present instance no specific charges have been made and no petition has been presented to the house.

Right Hon. R. B. BENNETT (Leader of the Opposition): I think the statement that the committee on privileges and elections has never held an investigation is not correct; in the case of Huron North there was an investigation.

"CANADA, 1938"

On the orders of the day:

Mr. W. A. WALSH (Mount Royal): I should like to direct a question to the Minister of Trade and Commerce (Mr. Euler) and through him to the government. The question is, whether it is not possible again this year as in previous years to have "Canada, 1938" delivered to schools, convents and colleges free, without the charge of ten or twenty-five cents.

Hon. W. D. EULER (Minister of Trade and Commerce): I had no notice that my hon. friend was about to ask this question. I am not sure that I can answer it at the moment, I do not know how many of these books have been printed, but I shall be glad to make investigation and let him know the outcome.

NIAGARA RIVER ICE JAM

On the orders of the day:

Hon. FERNAND RINFRET (Acting Minister of Public Works): Yesterday the hon. member for Broadview (Mr. Church) directed two questions to the government, the first being:

Will the government take up with the government of the United States and the governments of Ontario and New York state the question of erecting joint regulation works in this river to prevent the recurrence of the abnormal conditions which have recently arisen?

In reply I may say that the situation arising from the recent ice jam is such an extremely unusual one, even for the Niagara river, that the possibility and warranty of effecting any measures to prevent or mitigate a recurrence would require careful study on the part of the interests which have been adversely affected. Regulation works which were proposed by the international board of engineers at the outlet of the Niagara river in connection with the Great Lakes-St. Lawrence seaway scheme would not appear to be of any benefit to a situation such as has now arisen.

The second question was:

Has the minister any ice-breaking plants for use on lake Erie and the Niagara river

from lake Erie to Chippawa and Niagara to Queenston similar to that used in the St. Lawrence river?

The answer is that no such ice-breaking equipment is provided.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, February 1, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, in the speech from the throne the government take a great deal of credit for improved economic conditions throughout the country. They point to mounting revenues and increased export trade. I should like to ask in what fields these increased revenues and export trade lie. They arise largely, I submit, through the exploitation of Canada's mineral wealth, often by foreign corporations. What accounts for the demand for these minerals? I submit again that it is war in the far east and in Europe and the vast rearmament programs that are seen everywhere throughout the world. Indiscriminately at the present time we sell to both aggressor and victim, although I might add that often only the aggressor can obtain the supplies that he needs. We refuse to supply a legitimate government in Spain with men and goods, yet we are exporting large quantities of goods to Japan for use against China. Our export figures to-day represent, in part, the price that is being paid by the mangled bodies of women and children in congested Chinese cities, and I say further that prosperity based upon such factors is deceptive and will not last. It is disease, not health, that enriches Canada, and wealth thus gained must bring its own nemesis eventually.

A Liberalism which boasts of such trade is not the Liberalism of Gladstone, who in a previous century thundered against the atrocities in Armenia and elsewhere. During Christmas time I saw a cartoon which illustrates what I mean. It showed a picture of Santa Claus, labelled Canada; below there was a country labelled China. Santa Claus was riding in a Japanese plane, showering Christmas gifts—bombs made in part from materials obtained from Canada—upon the Chinese. So I say that a government which boasts of such trade returns and at the same time allows present conditions to exist in the great stricken areas of western Canada without doing something effective to meet those conditions, should not boast.

[Mr. Rinfret.]

I should like to say something about conditions in the province from which I come. Men and women there have sown for years and have failed to reap. We know that. After recent trips over the prairie provinces I would say that conditions there are reaching the point where many of our people are in a state of despair. From year to year we have drifted along with relief costs mounting and nothing done on a wide scale to meet the situation. On another occasion, when a resolution standing on the order paper in my name proposing a comprehensive inquiry into the possibility of widespread irrigation and water conservation projects is before us, I want to go into that question rather more fully. It is sufficient to say now that I have been all over the area more than once this year and have been greatly depressed by what I have seen there.

Much more was I depressed last year to see that the government were not taking effective steps early enough—and may I emphasize those words "early enough"—to meet the situation that was upon us last summer. At the end of June in the town of Rosetown, in my own constituency, I addressed a meeting of farmers and business people at which resolutions were passed urging the government to take immediate and effective steps to retain in its present position the grain that was then in the elevators in that constituency, in order to protect the people of that area. A week later I attended a meeting of over a thousand farmers in the town of Perdue. I may say that it was not a partisan meeting. I did not know it was being called. I was invited to it, as were also the former Conservative member for the constituency and the Liberal candidate in the last election. There again resolutions were passed pointing out the situation and emphasizing the need for the conservation of the seed and feed then in that area. Those resolutions were forwarded to Ottawa, yet my observation was that in the weeks that followed the elevators were virtually emptied of the grain that was there.

I know I shall be told that one reason was that the cash price of wheat at that particular time was higher than the futures price and that the elevators could not be expected to retain that grain against future need. On the part of the elevator companies I say that was perfectly natural. I say further, however, that the government, if it had wished, could have closed the speculative market; it could have discontinued the trading in futures and indemnified the companies involved, if necessary, against subsequent loss due to that

governmental action. But it allowed that speculative market, about which I have complained from time to time, to continue to operate. The government, which had destroyed the effectiveness of the wheat board method of marketing, again remained inert in the face of the impending crisis. Can we wonder if the farmers believe the statement that the party now in office at least to some extent was a beneficiary in connection with campaign funds from members of the grain trade? That is a suggestion which is made from time to time. The other evening in the house we heard a more specific statement by the leader of the opposition (Mr. Bennett) and, later, briefly mentioning the matter in his speech, the Prime Minister (Mr. Mackenzie King) said that he would like advice as to how the situation could be dealt with.

The time has come, in the interests of clean and decent government in Canada, when political parties should be compelled to publish the sources of all their campaign funds—all of them—in order that we may know the interests and influences behind the election of governments in this country. In any event the two things the farmers believe the grain trade desired have been accomplished, namely the virtual abandonment of the wheat board method of marketing, and the subsequent sale to grain brokers, on the speculative exchange, of the grain held.

The result of the condition to which I have referred means that the government has had to ship in grain for feed and, in the spring, will have to ship in grain for seed. This means that farmers unfortunate enough to have neither seed nor feed, or only one or the other, will be penalized both ways on that account. Then, had the government had the board in operation, it could have relieved the situation for the man who had a little crop to sell. Only yesterday I received a letter from a constituent at McGee, in my constituency, in which he complains to me that when grain is delivered in a wagonload lot farmers have to take the future, not the cash price. I believe I understand why that is so. Nevertheless, because of the unusual situation in connection with cash and future market prices, it means a loss of from twenty to thirty cents a bushel for those men who are delivering small quantities of grain at various times. Delivery to the wheat board could have protected these men who have a little grain to sell in a year when every cent counts.

Further, in June, July and even in August the government did not act quickly enough in regard to the matter of feed fodder. They failed to secure the necessary feed, and the result is that to-day herds of cattle and horses have been disposed of or destroyed. Undoubtedly some will starve on our western plains this winter. So that the whole of our live stock industry in many parts of Saskatchewan, consisting of herds founded with a great deal of difficulty, expense and care, will be destroyed. The very basis of that part of our economic life will at least to some extent be destroyed.

Yet there was feed. I am told that hay remained uncut in Manitoba. I did not see it; but as I travelled through Manitoba during the first week in September, across the Portage plains where nature had been bountiful, I did see no less than fourteen large straw stacks burning at one time.

Mr. GARDINER: Infested with sow thistle.

Mr. COLDWELL: I wrote the Minister of Agriculture about it, and his reply now is that it had sow thistle in it.

Mr. GARDINER: I saw it on the same day.

Mr. COLDWELL: I know there is some sow thistle on the Portage plains, but, too, I have seen hay which had sow thistle in it, shipped from the northern to the southern part of my province. Of course, if the reason stated by the minister is the correct one it puts another complexion upon the story. I do know, however, that the government did not act quickly enough in obtaining the necessary straw and in providing the men and equipment to bale and ship it.

I have spoken about the cattle. Of the poverty, misery, despair and want in many Saskatchewan homes I do not wish to say much to-day. Later in the session there will be opportunity for such discussion. May I say just in passing that those of us interested in the condition of the Saskatchewan people are grateful for the efforts of the people in the other provinces who sent into Saskatchewan large quantities of foodstuffs for distribution through a voluntary committee. But when I hear boasting from the government side about prosperity I think of those people on the prairie, and I realize that after all the boasting is pretty hollow.

May I repeat what I have said before, that the condition is not entirely due to drought. The brief on behalf of Saskatchewan filed only a few days ago before the Rowell commission clearly proves my point. I know that when both in and out of the house I have made that statement on previous occasions, it has been questioned. But in the presentation of an excellent brief the government of Saskatchewan has shown that, as is so often said, one or two good crops will not rehabilitate the condition of the people in that province.

The drought was but the last of a long series of economic disasters, including a long period of low prices when at times our farmers obtained only twenty cents a bushel for No. 1 wheat delivered at local elevators.

I would add that upon the rehabilitation of this region in no small measure depends the entire economic structure of Canada. In a country such as ours we cannot reduce hundreds of thousands of people to peasantry, and at the same time have the great industries in eastern Canada, and the great transportation systems, in a prosperous condition. That simply cannot be done. Yet there are those who would advise us to resign ourselves to a low standard of living and the virtual peasantry to which I have just referred.

For example, I notice that the report of a speech by the Minister of Agriculture before a group of prominent Quebec Liberals at the Reform club in Montreal on January 17, appears in the Montreal Gazette in these words:

> There were one million people living in the drought affected areas, said Mr. Gardiner. Were they to be moved? He did not think so, but they would have to become accustomed to conditions. After all there was nothing specially new in the western situation. Farmers many years ago had been "on relief." His own grandfather in Huron county, Ontario, had received governmental assistance.

If we accept that philosophy, we are in effect accepting a philosophy of despair. Our grandfathers were in poverty, our fathers were in poverty and, therefore, we must get used to the poverty with which we are surrounded. That is the interpretation I would place upon those words.

Mr. DUNNING: It is not the correct one.

Mr. COLDWELL: I shall be very glad to have the minister correct it when I am finished. That is the philosophy which is being put forth in certain parts of Canada. I regret very much that this statement should have been made in eastern Canada, in the city of Montreal. I have had an opportunity of speaking there and I know that many people in that city do not appreciate or understand our western situation.

I believe that much can be done to improve the condition of agriculture. We could plan our production more wisely and guarantee a better standard of living to our farmers and to the great masses of people in the cities. From time to time we in this corner will be glad to contribute any ideas that we may have which may tend to bring about those improved standards.

If we got to work and grappled with the situation we would be able to find a solution for many of our economic and social difficulties. As our leader (Mr. Woodsworth) said yesterday, I believe that prosperity in this country is spotty, unsound and insecure. Because I believe that, I am going to support the amendment of the right hon. leader of the opposition (Mr. Bennett). I intend to take that action because I believe the present government is engaged in what amounts to a policy of social and economic drifting. To drift is to court disaster and endanger the foundations of our democratic institutions.

Let us not forget that everywhere democracy is being attacked. A few years ago we might have said with Sinclair Lewis, "It Can't Happen Here," but today we know that it is being said by many that our democratic institutions are inefficient and unsatisfactory. The drifting of this parliament in the last two years lends colour to that accusation. When unemployment is rampant, when poverty and misery are widespread, when the legitimate aspirations of our young people are thwarted, then it would seem that the existing order, no matter what it may be, is threatened. I am in agreement with those who criticize this drift.

In common with the rest of the world we must move in the direction of a more equitable distribution of wealth. That would in my opinion ultimately involve the social ownership of the principal means of production and of our resources, but as a realist I know that at the moment possibly this and some other countries are not prepared to take a step of that kind. But there are other steps which could be taken and my criticism is that we are not taking those steps. Before the last election we heard hon. members who now sit on the government side say that national control of currency and credit must be utilized for the common good. Yet nothing has been done by this parliament although we in this corner have from time to time introduced resolutions dealing with this particular matter. There are steps we could take if we would, but we are doing nothing to alleviate the conditions with which we are surrounded.

If that alleviation is attempted we in this group are prepared to cooperate. Ever since I have been a member of the house I have appreciated that sitting around me on all sides were members who desired to do something for this country. Yet we do nothing. Again and again we talk in terms of our respective political parties when we ought to be talking and thinking in terms of this dominion and the citizens thereof. Because

year after year passes with parliament doing nothing people are lending ready ears to all kinds of subversive propaganda.

Who can say that a Canadian form of nazism is not raising its ugly head across the country? To refer again to the Montreal Gazette, that paper published recently a picture of Canadian nazis drilling under the direction of retired regular army officers. The inside pages contained photographs of the office of the organization with the swastika on the wall. There was also a photograph of the leader of the movement in the province of Quebec. We hear a great deal of the dangers of communistic propaganda, but to my mind Canada faces a grave danger to-day from nazi propaganda and the fascist forces which are being used by powerful interests. It is obvious that these organizations have large sums of money available for literature and uniforms. I shall not deal at any length with the padlock law in the province of Quebec, as that was gone into fully yesterday.

The same kind of thing can be found elsewhere in Canada. Looking back to last April we find the Liberal premier of Ontario saying to a group of people, "You shall not organize in the association of your choice." The institutions of this country are said to be British, and under British institutions we are said to be free to organize. Looking back into history I remember reading of an occurrence in 1834 near the place where I was born. A group of agricultural labourers led by a local preacher, George Loveless, who was also a labourer, endeavoured to bring about some improvement in their lot. Six of them were arrested and cast into prison. They were tried and the judge in passing sentence used these words: "Not for anything that you have done nor, as I can prove, that you intended to do, do I sentence you to seven years' transportation across His Majesty's high seas." Not for anything you have done nor, as I can prove, for anything that you intend to do. I submit, Mr. Speaker, that in effect those are the words that were used in this province last April in connection with an organization there.

But see what happened. History, may I remark, sometimes repeats itself. At that time, 103 or 104 years ago, the first Liberal government sat in power in England; to-day in Canada a Liberal government sits in power; and again, in effect, the same thing is being said in Ontario and Quebec—not for anything you have done nor, as I can prove, for anything you intend to do, do I stop you from doing these things. Yet out of that came one of the greatest social and economic movements that the world has ever seen—the rise of the great British trades union movement, and the rise of the great cooperative movement. Democracy must be preserved, and if it is going to be preserved, these rights must be assured to our people, and pressing reforms must be made to alleviate their condition. Theories of many types we may hold, but the cry is for practical and immediate solutions of the problems that press the Canadian people at the present time. In the west the cry for an effective rehabilitation plan goes up, and may I say to my friends from constituencies in eastern Canada that no longer can the west be regarded as a sort of rich colonial possession to be exploited by other parts of Canada or by foreign lands, but if they will examine the matter they will find that that has been to a degree the history of the west. We have no secondary industries established there.

In connection with social reforms, the other day, the Prime Minister chided the leader of the opposition for his failure to enact constitutionally unemployment insurance and other social measures. I should like to remark that some of the difficulties that we are meeting today are because in those years when business was on an upswing, between 1921 and 1929, if you like to take the years of Liberal administration, social measures, and unemployment insurance in particular, formed planks in the Liberal platform, and yet none of these measures was enacted nor was any preparation made constitutionally to enact them.

Exploitation of the farmer and the worker everywhere has been carried on by industry and finance, and it must be stopped if our national unity and well-being are to be preserved. We saw what that exploitation was to some extent in the textile probe; we also had an illuminating inquiry into the high prices of agricultural implements, and one of the things I am anxious to know this session is what we are going to do about these matters. Are the two reports that were made on those subjects simply to be filed and be of record, and be forgotten, or is the government going to bring down legislation to deal effectively with the problems which those reports indicate do exist? If such action is forthcoming, the speech from the throne remains silent about it, and I must say that the inaction of the government in the past two years in the fields to which I have referred does not lead me to expect them to do very much. In fact, their record fills me with some misgiving.

There is, I know, a feeling of satisfaction on the government side of the house regarding

the recent by-elections, and I do not want to take away from hon. members opposite any of the glory they take to themselves from those results; but I will say this, that when ministers go into Montreal and say, "We will fill the hole on Dorchester street," when they say, in effect we will spend millions of dollars right alongside this constituency, or when their supporters go right across the country to British Columbia and say in Victoria, "It would be well at this time if this city were represented in the Liberal caucus because there are large defence appropriations to be considered,"—when these things are said, some at least of the glory of winning by-elections fades out of sight. The tragedy is that our Canadian electorate falls for that kind of campaigning.

But in spite of any victories the government may have won, there is grave unrest throughout this land, and that grave unrest is particularly apparent among our youth, who are denied the opportunities of life which we ourselves had when we were young. I meet a good many of them across the country, well equipped, but unable to find an outlet for their legitimate ambitions, their training and attainments. Thus far, I would say to the Minister of Labour (Mr. Rogers), our attempts to deal with that problem have been quite feeble. These young people cannot lead normal lives, cannot marry and settle down and make homes as we could do, and so the very fibre of our society is being destroyed; its very foundation, the home, is being undermined. People look to this parliament for a lead and for a solution, and if they are not given a lead and some hope of a solution, then democracy in this country will be in danger.

Last session parliament did very little because of the haste to bring the proceedings to a close in time for the coronation and the imperial conference. But this session is a challenge to us all. Surely there are enough members in the house who realize the situation—I know there are but very often party discipline prevents them from expressing themselves as they might otherwise do—who must wish to indicate their dissatisfaction, and I would say, let them do so by voting for the amendment rather than for the motion. In that way we can make our protest effective in the only manner in which protests by members of parliament can be made effective, and that is by our votes on the floor of the house. If a sufficient number did that, we might find ways and means of compelling the government to consider taking effective steps; and, may I add, with the clouds of war and of recession or depression, whichever you like to call it, gathering in the distance, we dare not continue to drift along for another session. With the poverty and the misery, and the devastation even, that exists in large sections of this country, we must not let a false prosperity here and there deceive or blind us to the real issues.

I know, again, it will be pointed out that dividends have increased. Truly wealth is becoming accumulated; monopoly holds us ever in a firmer grip. On the other side, these piling dividends and wealth accumulations are paralleled by misery, by want, by despair, by the denial of opportunity, and all the rest of it. And we must, in this parliament, discover ways and means of increasing wealth for the great masses and of redistributing that wealth and purchasing power among the masses of the people. It seems to me that the problems before us fall under two heads: internal—thinking now of what the papers have published lately—and external peace; and, second, social security. These, it seems to me, cover the whole fields of foreign policy, rehabilitation, debt, purchasing power, housing, pensions for the aged, opportunity for youth, and the like; and parliament should not rise this session, even if we sit here for a whole year, until some solutions have been found. If the government fails, as it has so far failed, to formulate an effective policy, then let us, the members of the house, forget our party differences and our pet ideas—

Mr. DUNNING: Hear, hear.

Mr. COLDWELL: —and cooperate with the Canadian people, as they would expect us to cooperate, to bring about a better condition. I hear the Minister of Finance (Mr. Dunning) say "Hear, hear." I am glad to hear him say it.

Mr. DUNNING: I was welcoming your willingness to abandon your pet ideas.

Mr. COLDWELL: I know the Minister of Finance has his pet ideas also, but I suggest that he, with the rest of us, forget those pet financial ideas which he holds so strongly.

So, Mr. Speaker, I would recommend to the house support of the amendment rather than the resolution.

Mr. VITAL MALLETTE (Jacques-Cartier): Before I present to this august assembly the few remarks which I have prepared for this afternoon, I wish to protest against the extremely bad lighting arrangements we who sit in the fifth row enjoy here. I am very well

acquainted with the fact that the hon. members who sit here, and I suppose the same can be said of those who sit opposite in the same row, are men of such talent that they will eventually move to the second or even to the front row, but those who succeed us will have the same trouble. My vision has declined a good deal since I came here. I do not want any of my hon. friends to go blind for lack of a slight expenditure which this country can well afford, and I do hope, sir, that you in your official capacity as presiding officer of this chamber will draw the attention of the powers that be to this very bad condition and have it remedied as soon as possible.

I trust, Mr. Speaker, you will have the kindness to allow me to add my very sincere congratulations to those that have already been offered to the mover and seconder of the address in reply to the speech from the throne. Both of these gentlemen have acquitted themselves with great credit and fully in accordance with the best traditions of this parliament. Both have delivered eloquent and patriotic speeches which were duly appreciated by hon. members and which proved the sagacity of those who selected them for the discharge of this important task. Other speeches, all very interesting, followed. Hon. members will forgive me if I do not refer to every one of them; I shall limit myself to a very short reference to the speech made by the right hon. the Leader of the Opposition (Mr. Bennett), and the one made by the right hon. the Prime Minister (Mr. Mackenzie King). These two gentlemen occupy the highest places in Canadian public life, and what they say is always listened to with the greatest possible attention.

It was evident that the right hon. the leader of the opposition was not pleased with the speech from the throne. He found fault with it from beginning to end, with one sole exception, if I am not mistaken, and that exception was the reference to the coronation of their majesties. If this important event had not been referred to, the leader of the opposition apparently would have been willing to drop overboard the whole speech, lock, stock and barrel. Upon any stranger totally unacquainted with Canadian politics who might have been within hearing distance of the right hon. gentleman the effect of such a clever attack would have been stupendous—that is, until that same stranger heard the reply of our revered leader, the Prime Minister. The leader of the opposition conjured up such a heavy smoke screen that the speech from the throne had become almost invisible behind it, but the Prime Minister in his eloquent reply completely disposed of this smoke screen and rapidly chased it out of sight. This is most remarkable because the Prime Minister's reply apparently was based solely on notes which he took during the attack, while his worthy opponent must have had plenty of time to prepare his well planned assault.

An interesting revelation was made to this house by the right hon. gentleman who with such talent leads the opposition. Please see page 40 of Hansard and read what the right hon. gentleman has to say about the trade agreement with the United States. It is evident that the government over which he presided—I am not quite sure that this is correct, but we will say, the government over which he presided—did discuss a trade agreement with the United States. And why should he not have discussed a trade agreement with our neighbours? It is not we of the Liberal party who will find fault with such a move. We have always favoured closer commercial relations with our southern neighbours of the great American republic. If the Tory party saw fit in the interests of Canada to borrow that plank of the Liberal party, well and good. But I could not help thinking, and surely other hon. members, and Canadians throughout the dominion, cannot help thinking that the Conservative party or its very able leader must have undergone a change of heart, because in the ears of those of my generation who cast their first vote at the general election of 1911 there still rings the battle cry of the Tory party in that election, a battle cry that rang throughout Canada from the Atlantic to the Pacific—"No truck or trade with the Yankees!" I am glad to learn of that change of heart. Canada is on the American continent, c'est un pays d'Amérique, and we should have pleasant business relations with our neighbours to the south. Apparently the Conservative party shares our view of that part of the Liberal policy, and of course that makes it unanimous.

There is no doubt about the improvement in conditions generally. There is equally no doubt that we have not yet reached the goal which we are seeking, but we believe the Liberal party has the policy best suited to attain that result. Better trade relations with the rest of the world will permit us to dispose profitably of the production of Canadian farms and Canadian workmen. The efforts of the present government in that direction are already bearing fruit, and the Canadian public notes with deep satisfaction that that same government is ever on the alert, constantly seeking ways and means of further improving conditions and of improving them for all. The Liberal policy is not designed for the specific benefit of any particular class,

but has everyone in mind. The county of Jacques Cartier which I have the honour to represent has considerable farming area, and truck gardens and market gardens are numerous. There are also several important manufacturing establishments. It is in a small way a cross-section of Canada. If I am correctly informed, two-fifths of the population are of English descent, and therefore the county is bilingual. We all live happily together without friction concerning language or religion. Notwithstanding any political differences, my best efforts are directed to maintaining and improving this harmonious state of things.

We are glad to get a fair share of the benefits accruing to Canada, thanks to the wise administration of the present government. But, sir, material progress is not everything; it is not the sole thing to aim at. It is also necessary that peace and harmony reign in the country. It is indispensable that the different sections of Canada respect and esteem one another. It is essential that the rights of everyone be respected. In a word, all citizens of Canada should be good Canadians. That applies in public life as well as in private life. The ancestors of those of us who live in lower Canada entered confederation as partners, with all that word implies both as to obligations and privileges. No province in this confederation should be treated by the others as a poor relation; that would result in the destruction of our present national structure, and the beautiful dream of our forefathers of creating a great nation by the union of all the British territories lying north of the United States would be shattered forever. I repeat, our ancestors joined confederation as partners. And their descendants are willing, nay eager, to continue on that basis; only on such a basis of equity, justice and British fair play can confederation continue. Persons in positions of authority in either the national or provincial capitals who walk about with chips on their shoulders are not serving the cause of national unity. In politics one should be ready and willing to put water in his wine when occasion calls for it. Only in heeding and practising the words of the Master, "Peace on earth to men of good will," can Canada become a great nation.

Confederation became an accomplished fact through the acceptance of an act called the British North America Act. This act has been operative since July 1, 1867. It has been amended from time to time, chiefly I believe on account of territorial changes. At the present day there is a demand that it be amended again, this time to give the dominion government the right to pass social legislation. It is quite possible that after seventy years the act may be in need of revision, although the average Canadian citizen must wonder as to the necessity for such revision. Be that as it may, the call for amendment has been strong enough to cause the federal government to resolve to investigate conditions. The government therefore appointed the Rowell commission, which is now at work touring the dominion to hear all and sundry who desire to offer suggestions, cures and panaceas for the correction of our economic and legislative ills, real and imaginary. Probably there will be another opportunity to speak on this subject later, so today I content myself with saying that the British North America Act should not be amended without the consent of all the participants to its creation; I mean all the provinces. No one in this parliament, I am sure, wants to impose anything upon the provinces; no one wants to violate provincial rights; no political party to my knowledge has any such plank in its platform. On the contrary, all hon. members of this house are very respectful of such rights. But after seventy years it is within the realm of possibility that improvements are desirable in that act—I prefer the word "improvements" to the word "amendments." Those who want unemployment insurance are citizens of their respective provinces, as well as of the dominion. No one can be a Canadian without being at the same time a citizen of one of the provinces. As a Canadian an individual is perhaps enabled to take a broader view of things in general than he would get from a purely provincial point of view, just as the man who has seldom left the locality in which he was born gets a broader conception of things when he travels and visits other communities.

It is, I hope, unnecessary for me to state that I use the word "provincial" in no disparaging sense whatsoever. A lot of trouble would be avoided if we knew one another better within the boundaries of our well beloved country. And as it is generally Quebec that is considered different I think that occasion should be taken by those of our fellow citizens who live in other provinces to visit Quebec and get better acquainted; and the reverse should also take place, that those who live in Quebec should arrange to visit other parts of the country. Some universities in the great province of Ontario have already made a good move in that direction, by holding summer schools at different points in Quebec. This idea of citizens visiting different parts

of their country is not a new one. Years ago I saw that Signor Mussolini had arranged to give free wedding trips to Rome to newly married couples. However, I am not suggesting that we should go that far yet.

The leader of the opposition spoke the other day of political corruption. I sincerely hope his party is with him in his opposition to political corruption, because again that would make it unanimous, because we have always been against corruption from the start. I hope the right hon. gentleman will transmit that conviction to his party managers in the county I have the honour to represent—they are badly in need of it.

May I state that there are different forms of corruption. One form is gerrymandering, and that has been practised by hon. gentlemen on my left with an art deserving of a better cause. They are past masters at it.

Mr. SPENCE: That is old; we have had that before.

Mr. MALLETTE: Well, it has to be repeated so as to sink in, and I hope it will sink into the mind of the hon. member. If the hon. member for Parkdale (Mr. Spence) is willing to correct it, I hope he will get the ear of his revered leader and ask him to support me in my efforts to change the boundaries of the county of Jacques Cartier to more nearly where they ought to be and would be if common sense had been the guide when the redistribution was made in 1931. My hon. friends are experts at that game. I know it is not new; the hon. member is very kind in reminding me of that. I remember reading about it years ago in the Reminiscenses of Sir Richard Cartwright, who was no young chicken, and he said that in those days they did not call it gerrymandering, but "hiving the Grits." As far as Quebec is concerned, they are not hiving the Grits but hiving the Tories. But in hiving the Tories injustice is sometimes done. I have no objection to Quebec having some Tory members; it is a good thing, but I hope that in future redistributions common sense will prevail, as I am sorry to say it did not prevail in the last redistribution. If the right hon. gentleman who leads the opposition wants to know about the corrupt practices of his organizers I have a suggestion to make to him. It is simply this, that one of these evenings when the house is not in session he call together in his office or in his rooms at the Chateau—or over in Hull—a caucus of Liberal members. Every one of us will be able to give him some very illuminating stories of the way some of the Tory organizers go about it. I dare say the right hon. gentleman is not acquainted with such things personally, because usually it is good practice for those leading political parties not to have such knowledge, but when the word "corruption" is brought up we have to get down to the bottom of the matter, and I hope my suggestion will be followed.

In Quebec the clergy have been making a splendid fight against electoral corruption, but in my opinion corruption should be dealt with at other times as well as during elections. I think a start should be made in our churches, universities and schools. Of course it would take a generation or more to educate the people, but it would be well worth while, because after all such things as dishing out whisky to right and left at election time, so that in the end nobody gains anything, should be stopped, and the sooner that is done the better for the respectability of elections and the respectability of politics in Canada. I am quite willing to do my share, as far as that goes.

If I am not mistaken, Mr. Speaker, some hon. member has raised an objection to the construction of a subway under the Lachine canal, which was very much discussed in the by-election in St. Henry on January 17, which resulted in another remarkable victory for the government now in office. It is easy to understand why that subway played such a prominent part in that by-election. The division of St. Henry is in the southwestern section of Montreal. It is cut almost in half by the Lachine canal. It is not the fault of the people who live south of the canal that the canal was constructed; it was the fault of the Lachine rapids and the canal was built because it is impossible for ships to pass through the rapids westward. The people living south of that canal have a great deal of trouble at times to cross over. They have a bridge at Cote St. Paul, a bridge about a mile away at Ville St. Pierre and a bridge about a half or three-quarters of a mile below at Atwater avenue, so it is only natural that the people in that section want a subway to be constructed under that canal. The canal is a federal undertaking, built, I presume, by the federal government or by its predecessor before confederation, and the people living in that district are simply the victims. It seems to me that we might better have spent our money in building that subway instead of giving it out in doles. This is a chance to correct that mistake. I mentioned that matter myself during the by-election, and I sincerely hope that work will be undertaken. This is no new suggestion. The former

member for that constituency, Mr. Mercier, worked very hard in that connection also.

Reference has been made as well to the Canadian National terminal in Montreal. Well, that terminal was part of a scheme for the improvement of railway conditions in Montreal, begun by Sir Henry Thornton, involving a good many changes in the location of the tracks and the erection of a station worthy of the metropolis of Canada. Immediately after the election in 1930 work was stopped, we were informed under instructions from Ottawa. I hope the gentlemen who know all the facts in this connection some day will come out in the open and explain exactly what happened and why it happened. If that is done the political fortunes of some people in Montreal will suffer a good deal, but truth will be served. So I hope that some day either in this house or outside of it—it does not matter so long as we are told—we may hear exactly what happened at that time.

My views in connection with that station are simply these: Bonaventure station in Montreal is a sight. You know, the word "sight" may have two or three meanings, and in this case you may take the worst. The Canadian National, in addition to showing a deficit, is of some use to this country, and it should have a decent terminal in Montreal. I believe this matter should be looked at from the point of view of the interests of Canada rather than the selfish interests of Montreal or my constituency. There should be a station at Montreal adequate to take care of the needs of the travelling public. In December, 1936, just before the municipal elections in Montreal, a strong delegation from that city came to Ottawa and interviewed the Minister of Transport (Mr. Howe), the Secretary of State (Mr. Rinfret) and the Minister of Public Works (Mr. Cardin), if I am not mistaken. I was present, together with nearly all the members from the district of Montreal. I gave my views then, but I do not mind giving them again. I believe that station should be built, and moreover I believe it should be built for the Canadian people, not merely for the Canadian National Railways. I may shock some people both here and outside the august precincts of this house, but I believe the Canadian Pacific should have access to that terminal also. The Canadian Pacific is a very large contributor to the upbuilding of this country, and it should be so arranged that a traveller coming to Montreal by way of the Canadian Pacific and wishing to transfer to the Canadian National should be able to do so at the one station.

[Mr. Mallette.]

I believe also, Mr. Speaker, that the terminal should be within easy reach of the harbour and the aviation field. I am sorry that the Montreal airport is so far from the centre of the city. I know it was built by a Liberal administration, but I do not know why it was placed so far away when there are many suitable locations much closer at hand and much more convenient to the travelling public. I was of the opinion that the terminal should be made available also to the automobile bus lines that make Montreal their headquarters, but unfortunately that is impossible now because the Colonial Coach Lines and the Provincial Transport at last are erecting their own terminal opposite the Windsor hotel. We should not let any more opportunities of this kind escape us. Let us go ahead with this work, which is not antagonistic to anybody but is simply in the interests of Canada as a whole. In my humble opinion it is far better to give work to the people of Montreal than to give them the dole.

Yesterday the hon. gentleman who represents Winnipeg North Centre (Mr. Woodsworth) presented his views in regard to a famous law in the province of Quebec known as the padlock law. I hold no brief for the government of Quebec; I do not believe they would trust me with a brief anyway, but I will say that it is quite possible that this law is capable of being amended, since it was passed in a hurry and may not be drafted quite properly. At the same time it represents, in a raw way, the point of view of the population of Quebec. Our people do not want communism. They will not have communism. They will fight communism. We believe in democracy; we are satisfied with Liberalism and Conservatism. There are some people who are talking about reorganizing the province along corporative lines, but most of us do not know much about that doctrine, and we are not scared. The matter is being studied by people who know what they are talking about, and when the time comes they will let us know the result of their studies.

The question of repealing the padlock law should be left to the people of Quebec; this government should not exercise its power of disallowance. If a demand comes from a strong section of the people of Quebec then the matter might be considered. However, one of these days the people of Quebec will have an opportunity to say at the polls whether or not they are satisfied with the government that passed that law, and it will be time enough to deal with the matter then. That is my point of view in that connection.

In connection with our views on communism I want to quote from Le Devoir of November 2, 1937. This is an extract from an address given by His Eminence the Cardinal Archbishop of Quebec, speaking at the coliseum in Quebec city. The extract is as follows:

(Translation)

Freedom of speech

Under the mask of freedom of speech we are asked to listen to the most perverse doctors: Sophism and Hypocrisy. Freedom of speech, yes, but not freedom to outrage our social conceptions to insult our traditions, our principles and our religion.

Freedom of speech? Yes, indeed, but as it is practised among honourable people and not among imbeciles or brigands.

Freedom of speech! Are you in favour of freedom of the air? But do you extend that freedom to foreign appliances of war or strategical observation? Do you permit the plague-stricken, the germ-carriers to pollute, under pretext of equality, the pure air that surrounds us? Liberty, quite, but does liberty mean folly, connivance, unbridled licence?

We know very well that in a country like Canada, with such a sparse population, there are many things still to be accomplished. One of them is the abolition of slums in the large cities. The problem may not be a federal one, but sooner or later it may have to be linked up somehow with the Dominion Housing Act. By way of loans the dominion government helps to build houses; it also helps to repair them. Some day it may be called upon to help in some way towards the elimination of slums, and their replacement by decent buildings. In a country such as ours, one of such stupendous size, one in which there is so much unoccupied land, I believe every family should own its own home, and that our legislation should tend in that direction. A better distribution of wealth would do away with communism, and most of the other evils.

The employment commission has finished its work. May I say at this time that in my opinion it did good work, and it is to be hoped that some other agency will continue the good work which has been begun. I am pleased to be in a position to pay my tribute publicly to the men and women connected with the employment commission. In the constituency I have the honour to represent two of the schools for youth have been opened, one at Ste. Genevieve and the other at Macdonald college. We realize that this is just a trial but it is our sincere hope that great good will be the result. Those schools are operated under the Rogers-Bilodeau arrangement, and we hope that they will prove of the greatest possible benefit.

It is remarkable that the establishment of those schools coincides with the recommendations made by the Jeunesse Ouvrière Catholique, all of which can be read in a book entitled Un Moteur et des Ailes, which was written by M. Emile Benoist, at one time a member of the press gallery.

We have been subjected to propaganda from many sources in favour of immigration. I am thankful that in the speech from the throne there is no reference to any immigration program. It seems to me that the time is not yet ripe for it.

The last year and the present year mark the centenary of an important historical event in Canada, namely the rebellions in Upper and Lower Canada. There may be some difference of opinion as to whether or not the men who took up arms should have done so. I for one am convinced that if they were alive today they could have settled a similar dispute without resort to arms. Unfortunately they chose to do otherwise. However, whether or not we share the opinions they held as to the advisability or otherwise of resorting to arms, I think there can be only one stand we can take with respect to men who have been willing to die for their political opinions. Some died and some were hanged. That is the way political offenders were punished in those days.

About this time of the year one hundred years ago my own grandfather was in gaol as a rebel. He was a rebel because he believed in representative institutions for this country. Like many others, he was fighting to obtain what we now enjoy and what we are now trying to retain. The fact that that old gentleman was put in gaol as a rebel because he held those views is something of which I am very proud. I am sorry it has been left to me to be the first to mention the matter in parliament; in my opinion it should have come from higher quarters. But I do not want the descendants of those men who lived in Upper and Lower Canada to think that the heroes of 1837 and 1838 are the forgotten men of 1937 and 1938.

Now, a word as to armaments. The results in by-elections since the session of 1937 have been interpreted, in many quarters, as an unqualified endorsation of the program of this government with respect to national defence. Undoubtedly the electorate has expressed its confidence in the King administration. But please do not think that expenditures for armaments are, of themselves, the first and foremost cause of the popularity of the government. Do not jump to that conclusion. Undoubtedly the people of Canada will con-

sent to sacrifices required for the defence of their national soil. The guarantees given by the Prime Minister and his colleagues during the last session, and given again by the Minister of Justice (Mr. Lapointe) in Lotbiniere and by the Minister of Public Works (Mr. Cardin) and the Secretary of State (Mr. Rinfret) in St. Henry that these expenditures are to be made solely for Canadian defence, have been accepted, because our citizens do not wish to be at the mercy of a coup de main by international hoodlums. But they have been accepted solely on the ground that they are expenditures for the protection of Canadian interests in Canada. Let us make that very clear. There is no desire, as I said before, to join any expedition to acquire oil wells or minerals which may be found elsewhere, in territories which are not British Let us understand that.

Before taking my seat I wish to speak with respect to the budget. The people of Canada are hoping for a balanced national budget. While I am not attempting to give advice to the Minister of Finance (Mr. Dunning), who I see smiling in his seat, I shall take this opportunity to place upon Hansard a quotation from one of the works of one of the best known authors. I do so because I believe the quotation, at least to a certain extent, deals with budgets. In the session of 1936 we were given quotations from Carlyle almost every day. In that session Carlyle was certainly the popular author; he was quoted right and left, every day. There were no such quotations in 1937. I shall not quote Carlyle, because I believe the quoting of Carlyle in this chamber should be left entirely to the intelligentsia who ornament the front seats on both sides of this house.

I shall quote from another author whose works are well known not only where English is spoken, but where it is read. We know there are many people who can read a language but who cannot speak it. In plain language this author has been a man of the masses, a man of the people. Had he been in Canada, undoubtedly he would have been a Liberal. The house will understand, of course, that I refer to the well beloved Charles Dickens, and I read a quotation from David Copperfield for the consideration of the house and the special consideration of the Minister of Finance.

Mr. BENNETT: Waiting for something to turn up?

[Mr. Mallette.]

Mr. MALLETTE: The quotation is this:

> My other piece of advice, Copperfield, said Mr. Micawber, you know: Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery. The blossom is blighted, the leaf is withered, the God of day goes down upon the dreary scene and—and in short you are forever floored.

I shall vote against the amendment.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I wish to congratulate my neighbour, the hon. member who sits beside me (Mr. Mallette) upon his remarks and reiterate what he said with regard to the lighting in this part of the chamber. I thank him for the kind remarks he has made about the fifth row. I have no doubt that he was referring to this part of the chamber when he made mention of the intelligentsia. I should like also to congratulate the mover and seconder of the motion for and address in reply to the speech from the throne upon the manner in which they have conducted themselves. They have shown themselves worthy of the honour conferred upon them.

It has been gratifying to note that a further recovery has taken place during the past year in the trade of Canada. However, this increased trade does not seem to have brought about an appreciable improvement in the standard of living of our people. Improved conditions were noticeable up to October of last year, but they did not continue for the last three months of the year. Evidently we are following in the footsteps of the United States. If that country cannot stop itself going into a business tailspin, I hope we in Canada will be able to do so.

There is no doubt that the depression in the United States caused the dumping of a great deal of surplus stock into Canada at Christmas time. There has been an increase of $112,000 in the imports into Toronto alone for the month of January this year. Increased imports have affected our domestic production by way of diminished sales. The speech from the throne states that there will be an extension and revision of the trade agreement with the United States. I think any further concessions that it is contemplated we should give, should be very carefully considered by the government, in view of the fact that the unemployment situation in the United States is much worse than it is in Canada, they having some 10,000,000 workers unemployed at the present time. We must also remember that the average rate of duty on all imports into Canada in 1937 was only 13·7

per cent. The average rate of duty on imports into the United States was 60 per cent. Even with the full reduction of 50 per cent which they are permitted to make, the average rate of duty would still be 30 per cent or 16 per cent higher than ours.

The population of my riding of St. Paul's is made up to a large extent of the finest type of industrial worker. They are dependent upon industry for their livelihood. At the present time considerable apprehension exists as to what action will be taken in respect to the lowering of our tariffs. This feeling of insecurity and uncertainty has had an adverse effect on business generally. If the government contemplates lowering tariffs it seems to me that it is only fair that the men in charge of our industries and the workers should be so advised and consulted. If not, they should have such knowledge. The heads of industries with extensive capital investment and payrolls of millions of dollars find themselves without knowledge of the negotiations with which to prepare a case for their industry against further tariff concessions to any outside country.

One class of industry in which some of my constituents are employed has a payroll of $25,000,000. A manufacturer of this class on which so many of my constituents depend for a livelihood has a well managed concern and pays highest wages. A reduction in the tariff might jeopardize this industry and the livelihood of many of my constituents. If there was a cessation or reduction in wages the wives and families of these workers would be seriously affected. This industry purchased $2,000,000 worth of raw materials from Australia and $3,000,000 worth from New Zealand. These purchases constituted 24 per cent of Canada's purchases from Australia and 58 per cent of the purchases from New Zealand. In addition this industry purchased manufactured products from other industries in Canada to the extent of many millions of dollars. Surely the heads of such an industry should have some intimation as to what is to be done with respect to tariffs. Profits have been too small to absorb the additional costs, due to a decreased output which would follow a tariff reduction.

The desire of labour is security based on a steady annual wage and continuous employment. A basis of factory production calculated to eliminate unsteady employment must of necessity be founded upon confidence in tariffs remaining established for a reasonable length of time. There are other classes of industries throughout the country, upon the continuous operation of which the industrial workers depend for their living, they and their wives and families. It is only through continuous employment that a higher standard of living can be obtained—and it must be obtained. There should be more cooperation between governments and industry and business in general. This is absolutely necessary at least for the sake of the workers.

No mention has been made in the speech from the throne of any social legislation other than that with regard to unemployment insurance. When we consider the consequences, both economic and humanitarian, with respect to slums and the lack of low cost housing, as borne out by facts, and the experience of countries of the older lands in this respect, we can understand it only as the laissez-faire policy of the government. What is to become of those unfortunates who through no fault of their own cannot earn enough with which to pay the rent of a decent home?

What about social legislation? The great social service of preventive medicine is functioning to try to keep them healthy and has kept thousands living, but no effort is indicated on the part of the government to help them, now that they are living, to make themselves happy and good citizens.

Something must be done. It is no wonder that we have communism and many other "isms" in this country. The stability of a country arises out of the home. Our people must be made home-minded so that their children may be given the opportunity of becoming good Canadian citizens. I intend to say a word or two on this matter later on. I intend to do all I can to eliminate the conditions which one sees to-day.

On November 15, 1937, an order in council was passed making the outport of West Toronto a port. This order was to become effective on January 1, 1938. Up to the time of the passing of this order in council no public body or organization in the city of Toronto, so far as I know, had been consulted. Perhaps the Minister of National Revenue (Mr. Ilsley) thought that this radical change was of so little importance to the city of Toronto as to be not worth bothering much about.

I do not wish to decry the immediate estimated saving of some ten or twenty thousand dollars by the elimination of duplicate reporting or the like, for I think that is meritorious. But in passing I would ask, will there be a saving, when one considers the perquisites of a growing baby? And how, babies grow! Are two head offices cheaper to maintain than a head office and a branch? I do not see how that is possible. I do not wish to discuss now the merits or demerits of

the case, but a principle is involved. The board of trade of Toronto had knowledge of the order in council some time after November 15, and they wrote the minister on December 3, setting out their case. The minister's reply was dated December 8.

The board again wrote on December 23, setting forth further arguments and requesting that until certain information in reply to questions asked of the minister had been made known to the public, the matter be left in abeyance. I shall take the opportunity at some future date of reading these questions. The minister replied on December 30, refusing that request. The board of control also wired the minister on December 29, making a similar request.

There are organizations of public-spirited citizens in Toronto, such as the mayor and board of control, the board of trade, and the Toronto industrial commission, who are only too glad to give the benefit of their counsel when asked. There are also members of parliament representing the city of Toronto.

The request made by the city council and the board of trade was, I think, a reasonable one, and it should not have been cast aside as of no value. I think they have a better opportunity to appreciate the effect of such a change as this. That is their job. I think that a city of the size and importance of Toronto has a right to more consideration, cooperation and confidence in a matter of such import.

Now a word about broadcasting. Is the Canadian Broadcasting Corporation making itself an agency for encouraging the very thing which it was created to discourage, that is, the extension of radio advertising, and particularly of advertising which does not originate in Canada? To encourage such advertising has an adverse effect upon Canadian enterprise through making the corporation's facilities available to American advertisers at rates which a commercial enterprise could not begin to consider. If this is so, it seems to be a serious misuse of public revenues and credit.

Does not the Canadian Broadcasting Corporation take an entirely unjustified advantage of the daily press by promoting Sunday advertising? If a newspaper published a special Sunday edition, it would be promptly prosecuted. I understand that by the radio corporation's activities some $200,000 worth of newspaper and periodical advertising has been seriously affected. Has it been considered what effect this will have on labour, on employment?

Occasional features which have been introduced by the broadcasting corporation are satisfactory; but where does the $1,500,000 revenue from licence fees go? And where will the extra $750,000 go?—and it may be $1,500,000 extra, when one takes into account the taxing of duplicate sets.

The reception is no better for the vast majority of listeners, and the programs are no better than they were.

I maintain, Mr. Speaker, that the money obtained in licence fees should go for the improvement of Canadian programs and Canadian information, and if necessary Canadian advertising, and to help develop Canadian talent—that is, if the licence fee is to be collected at all.

Our democracy has not failed, but it is not functioning properly. Corruption must be eliminated, or democracy will fail. I cannot let this opportunity pass without drawing attention to the danger. The democratic countries of the world to-day are the only countries in which freedom of speech, freedom of the press, freedom of religion and personal liberty remain.

We in Canada have the privilege of living in a democracy, but if we are to continue to enjoy that privilege the people of this country must realize the obligations they have in return for that privilege.

The man who comes in smiling like a Cheshire cat on election day, after voting, and says, "Well, I have done my duty," has only exercised his privilege; but has he realized the obligation he has for the privileges he enjoys under our democracy? We are supposed to have government of the people, for the people, by the people.

One of the troubles to-day is the apathy of the public with respect to current politics in this country. People say: I don't take part in politics because it is such a dirty game. If this be true, who let it get that way? Apathy on the part of the public—no realization of their obligations. We have a great many problems which are more or less taken for granted by the public and are very little understood, but which we are told are to be solved by governments.

The public must take an active interest in politics, without remuneration, not for the sake of patronage, but in defence of democratic principles, as a part of their obligations, if democracy is to survive.

What are governments for? Lord Baldwin has said that the consensus of opinion is that governments are for the attainment by the people of the highest degree of well-being and virtue.

How many people realize that for every dollar they spend in Canada they get less than sixty cents value, the balance being taken in taxes in some form or other? When

governments pay, it all comes out of the pockets of the people, either in taxes or in reduced wages. Why is it that people who are generally thrifty in the management of their own domestic affairs, when it comes to public matters seem to think that governments are Christmas trees for money to be picked from?

Governments are always influenced by votes, and votes come from people with varying degrees of intelligence. Some say that the franchise is too wide. Be that as it may, it is a fact, not a theory, and we cannot alter it. It is therefore necessary for those with a certain degree of intelligence to inform and influence those who are not so intelligent, and in turn to be influenced by those with greater intelligence. Votes should not be influenced in any way except by reason, if democracy is to survive. It is the public's obligation to inform themselves accurately upon the various aspects of the problems coming before them; in other words, to take an intelligent interest in public life. It is the duty of members of parliament, and of the press, to inform their public accurately and truthfully. If one reads the history of the decline of the Athenian democracy, one must realize that it was brought about by just the same conditions as exist today,—patronage, apathy, and leave-it-to-George. In the words of the Right Hon. Stanley Baldwin, now Lord Baldiwn of Bewdley:

> The Greeks talked incessantly of equalities and butchered each other for it;
>
> We are not quite as bad as that yet.
>
> . . . of freedom, and lived on the labour of slaves. Freedom of speech was stifled and public men who refused to advocate pleasures for the multitude were banished. Politicians rivalled one another in bribing the electorate. There was an unemployment problem and a policy of public works, payment to jurymen, free seats at the theatres. Those who had triumphed over tyrants in turn became despotic. Those who had been oppressed became in turn oppressors. Those who had denounced luxury and idleness in individuals succumbed to the temptations of riches when shared out by the state and by and by Plutarch records that the Athenians from being a sober and thrifty and self supporting people, turned into lovers of expense, intemperance and license.

The attitude in this country taken by some institutions and businesses in frowning on the activities of their employees in politics for fear of the effect it might have with respect to themselves on the party in power, the unconscious coercion they feel, is to say the least bad for democracy; it is not democracy functioning. Our democracy is worth fighting for. The peace of the world is not attacked by democracy. Another of the difficulties encountered in attempting a solution of our problems is the lack of confidence and the suspicion existing between institutions, labour, industry and departments of government. I am sure that a closer cooperation and frankness is necessary for a better feeling of security throughout the country. I plead that every effort be put forth to preserve our democracy and make Canada the best place in the world in which to live. A real effort is necessary and a lot of hard work and effort by us all.

I support the amendment.

Mr. R. A. PELLETIER (Peace River): It was not my intention to participate in this debate, but having listened to the leader of the opposition (Mr. Bennett) I felt I could not remain silent, in the face of the charges he has brought into this house. The words of the hon. gentleman indicate that there has come into his possession evidence of irregularities and corruption in the matter of government contracts. He contended that certain amounts of money were being levied on contractors. He said that he could produce evidence in so far as Canadian National Railway contracts were concerned. Apparently many people in this country are being compelled by means of such levies to contribute to funds for political purposes, resulting in corrupt practices.

Today I directed a question to the Prime Minister (Mr. Mackenzie King), and I regret to say that I cannot believe the answer is satisfactory to members of this house. It seems to me that there are other ways and means of getting at the truth of this matter than those enumerated by the leader of the government, and I suggest to him that a committee of this house should be instructed to investigate the matter. It is not necessary to appoint a new committee. Under the rules of the house we have a standing committee on privileges and elections, and a reference by the government to that committee would compel the leader of the opposition to make good the charges he has made in this house. In my belief it is absolutely necessary that we should do that. If the matter is allowed to remain in its present position a stigma will be left on this house, a stigma that should be removed, and I feel sure that all hon. members will join me in demanding that a proper investigation of these charges be made.

So far as we in the province of Alberta are concerned, our people pay for our election; they elect us themselves, and we are responsible to them. We were under the impression that the old ward politicians' tactics of the past had more or less disappeared. It seems to

me we have no other course than to see that these charges are thoroughly investigated. We do not believe for one moment that any leader of a political party in this country would knowingly permit such a thing to go on; rather it is done by supporters of political parties without the knowledge of the leaders of those parties, and undoubtedly it will be the desire of the leaders concerned to have this matter threshed out. I noticed that when, the other day, the charges were made by the leader of the opposition, hon. members, and particularly the Minister of Transport (Mr. Howe) were quick to resent the accusations. It was said that Canadian National Railway contracts had been tampered with. The Minister of Transport would certainly be the first to wish to know whether such things have been going on. I do not believe any cabinet minister, past or present, would knowingly permit such practices; therefore the matter should certainly be looked into.

I might add that our young people can have no faith in our institutions if matters of this kind are to be hushed up and passed over. It is our duty to act in such a way as to build up their faith in our institutions. Is it possible to do so if, knowing that a member of this house is in possession of documents which prove political or electoral corruption, we allow those documents to remain unseen and unknown? It is quite true that it is possible for an individual to put up a deposit of a thousand dollars or some such sum in order to have charges of corruption brought before the proper authority. It seems to me that, of all people in this country, the man who made the charges is best able to produce the thousand dollars. But whether that is so or not, there is no reason why the thing should be done in that manner. The house possesses the necessary facilities to investigate this matter, and in my opinion an investigation should be made.

There will be an occasion later on, I am sure, to touch upon the various subjects mentioned in the speech from the throne. When those subjects are brought down will be the time, in my opinion, to express approval or disapproval of what the measures contemplate. My sole purpose in rising is to say that if we remain silent with respect to the charges to which I have alluded we shall be guilty of connivance in regard to the things which are said to have taken place. I do not believe it is the desire of any hon. member that such a condition should prevail.

Mr. T. L. CHURCH (Broadview): I had not intended to take part in this debate, and I am simply filling in on behalf of the opposition. I wish to say a few words, as representing the man on the street, to the man in the cabinet. I looked over the speech from the throne and I am very much disappointed that nothing more satisfactory has been presented to parliament, at a time when we have so many roving commissions, travelling like minstrel shows all over Canada. Provided they could sing a bit and blacken their faces they would be more successful as minstrels than they are as political commissions, which get nowhere and are appointed for no other reason than to postpone action by the government of the day on questions with which they will not deal.

I realize that it is the function and duty of the opposition often to criticize the government of the day. We as an opposition are disappointed. I realize that the cabinet consists of some very able men, and that we have a government of Canadians. But realizing this I regret to say that in the speech from the throne the man on the street, the large number of people on relief, and the municipalities that are finding the burden of taxation on real estate becoming intolerable, are very much disappointed that something of a practical nature has not been done. In this country with its vast resources, if we solved the problem of distribution, there should be no one starving. But there is not a word in the speech from the throne about this great problem of distribution. In fact I am surprised that the speech from the throne was not delivered in the debating society of the university of Toronto or the mock parliament at McGill.

In passing I wish to congratulate the Commonwealth of Australia on its 150th anniversary. I should like to see a delegation from Canada visit our sister dominion on this occasion. They have decided that Australia for all time shall be a white man's country. They do not believe in separatism. They realize that an armed Britain is the greatest defence of the peace of the world, that Britain stands as trustee for the peace of the civilized world.

Lord Milner once said that money-bags are proverbially short-sighted. Our money-bags were short-sighted when they called for the appointment of the Rowell commission. I have a high regard for Chief Justice Rowell. I believe if he were a one-man commission the results would be better. But I do not believe in these commissions at all. It seems that this government believes that a commission a day keeps the unemployed away; that appears to be the principle on which all these

roving commissions are appointed. The members of this parliament might as well all go home; owing to these commissions we have no powers, we cannot force anything to a vote. Our powers are taken away and handed over to the house of Rowell and Dafoe, of whom the latter, from what I have known of him as a free trader and his stand on the grain trade and other matters has been one of the chief foes, on some questions of the prairie provinces. Last session and the session before I brought to the attention of the house my submission that constitutional and parliamentary and law reform was one of the most important matters before parliament. The government said they were going to appoint a commission. I wish to take issue with the Prime Minister (Mr. Mackenzie King) in regard to his statement that the chairman of that commission is a judicial officer. That point was raised in the Gamey-Stratton case. Sitting in the city hall in Toronto were Chancellor Boyd and Chief Justice Falconbridge, and it was decided that as members of that commission those gentlemen were no longer judges, they were not entitled to the title given them in the law courts, they were just commissioners, and were called Mr. Chairman or Mr. Commissioner.

There are too many of these judges leaving the bench. Hon. members will remember the customs scandal some years ago when three judges, Mr. Justice Roy of Quebec, Mr. Justice Brown of Regina and Mr. Justice Wright of Toronto went up and down this country for a year and nine months, leaving their judicial duties. The work of the courts in Ontario is becoming congested today; several judges have died and others are out on these roving commissions.

The time has come when parliament should regain its powers. I agree with the leader of the opposition (Mr. Bennett) in what he said about this matter, that the government of the day, with so many Liberal governments in power in the provinces, should have settled these matters sitting around a table with them. I do not agree with what has been said in praise of the work of the fathers of confederation in the British North America Act, far from it. I believe they were the most short-sighted body of men that ever got together in a room at any time anywhere. Look at the resulting provincial situation. There never should have been any provincial legislatures. I wish to speak of the fathers of confederation with respect, but when we see the way they launched these provincial legislatures on the country it is difficult to admire them. They do not have all these governments in Great Britain. The result of having them here is that we have overtaxation and overgovernment. We have 10,000,000 people; Great Britain has 47,000,000, but they get along with one government there. They did not have state legislatures in Australia until recently. The confederation act should be recast. That is what I understood this Rowell commission was appointed for, but now we find that it is a roving omnibus commission on everything. I noticed the members of the commission around Ottawa for some time and now I read that they have gone east. But wise men come from the east. The star of this commission is in its decline. The municipalities have simply been humbugged in submitting briefs to it. The commission had the former German chancellor here to advise them, probably Gandhi will be the next witness called by them.

Royal commissions are a favourite resort of the present federal government for postponing action when action is imperatively required. Take the burden of taxation on real estate; are we to wait three or four years before getting relief from that? There is the prison commission, the textile commission, the commission about automobiles, the tariff commission; it seems to go around in a circle, but no relief comes to the unemployed. Now it is proposed we should have a new flag. Let us get rid of the black flag first. The unemployed and the farmers on relief do not want reports of a commission when they see the black flag flying in front of their houses and are put out on the street; they have the facts. So have the returned men who fought for men in and out of this house. This commission will achieve nothing. I had a big pile of books that I threw away the other day, reports of various commissions made since I have been a member of the house. They will achieve nothing—that is why they are appointed—except a boost from the corporation press. They are only advisory in any event, and as soon as the advice is given it will be discarded and the report pigeonholed. The Prime Minister said they were appointed to get the facts, but they will find out nothing that the country does not know already. They may well be described as a minstrel troupe. Some of the briefs that have been handed in are made up from pamphlets and booklets and government reports as old as this country. They are a commission in a Pickwickian sense—with apologies to Pickwick.

In all common sense, if we view the situation, everything depends upon the instructions which have been given by the government of the day. The personnel of these

commissions has been chosen for political purposes and political expediency; the interests of the people are being overlooked, just at a time when action is needed on many important matters. For instance, to-morrow a deputation of mayors is coming to Ottawa to interview the government.

Ten years ago the leader of the Progressive party and I proposed that one-third of the cost of relief should be borne by the dominion, one-third by the province and one-third by the municipality. That system was tried out and found to be practical. I think we were right then; I still think so. As my leader has said, if the Liberal premiers had sat around a table for stocktaking they would have obtained far better results. Sickness and unemployment insurance was part of the Liberal platform of 1921. If there had been a round table conference that question could have been dealt with satisfactorily, instead of having these commissions act according to the expediency of the moment.

In England today, Mr. Speaker, they have a radical government, although it is called Conservative. They have had a survey made and they are going to nationalize the coal mines. Not very long ago we appointed the Tory commission to investigate our coal question. The chairman, I always thought, was Tory in name only, and I was sure of that when I read his report, which deals with everything except the spread in price from $5.25 a ton in 1905 to $14.50 last year. The report says nothing about a national coal supply. With the cold weather we have in Canada and the way our resources are being squandered the next generation is going to face a scarcity of coal. Conservation is one of the most important things in this country. I should like to see not a report issued by a royal commission but a survey made by the government towards the end of nationalizing the coal mines of this country. It is only during the last seventy-five years that science has discovered the power inherent in coal, oil and falling water. We have nationalized the falling water, from which we obtain light, power and transportation. This country is the richest in the world in power, possessing 42,000,000 horse-power, of which only one-sixth or 7,000,000 horse-power have been developed. The water supply in our municipalities has been nationalized, but that is as far as we have gone. When I first came into the house I suggested that our oil should be nationalized so that a pipe line might bring Alberta oil to the people of the country. The nationalization of the coal mines in England, which is expected to be consummated by the summer of 1942, will cost the mother country $332,250,000. The commission we appointed, with all its experts, did nothing.

Back in 1922 and 1923, when I proposed a national coal policy for this country so that the fuel consumed in Canada would be mined under the British flag, whether in Wales or Alberta or the maritime provinces, I was laughed at. I proposed a system of bonuses, subventions and subsidies. There was laughter and ridicule in the house, but at last that suggestion was adopted, and today two million tons of coal are being moved economically from the maritime provinces to the head of the lakes. We can thank the leader of the opposition for supporting that policy and putting it into practical effect. Now I want to see a report made along the lines I have suggested.

I do not see the Minister of National Revenue (Mr. Ilsley) in the house. A few years ago I called his attention to the question of income tax. After it was discovered in Washington that Mr. Pierpont Morgan, the Van Sweringens of Cleveland, and other wealthy people paid no income tax, I asked the minister if he would not consider having an inquiry into the matter of income tax here, but he never even answered my question. Now, if you ask me, again he has been weighed in the balance and found wanting as a minister in his treatment of customs matters in Toronto. Over the protests of the mayor, the city council, the board of trade and other civic bodies, and over the heads of government supporters from Toronto, his department has gone to work and divided the port of Toronto, causing great chaos in that city. I believe it is the duty of a minister of the crown to consult local people in connection with a public utility of this kind. I am not saying anything about the ability of the minister, far from it. I have no personal quarrel with him. I believe he has a hard department to handle, but I was sorry to see him take that action without consulting the people interested.

On more than one occasion, Mr. Speaker, I have introduced a bill with regard to newspapers. I am surprised at the way this parliament is treated by the Canadian press. Turn to any of our leading newspapers and you will find four or five pages about some prize fighter; there will be great ballyhoo about professional athletes of all kinds, but you will see only about a column or so devoted to the House of Commons and the problems that concern this country. I am

afraid the press of Canada are following the press of England. The only independent newspaper they had over there that would speak out for the empire was the Morning Post, and now it has lost its identity, having been sold to the Telegraph. I am free to admit, as I said in speaking to my newspaper bill, that in peace and war alike the press do fine work, but in the present condition of affairs in Canada I believe it is the duty of the press to support the government when right as far as possible and do what they can to educate the people in connection with public affairs. I think that is a duty the newspapers owe to the people of this country, in these days of stress through which we are passing.

I have referred to the question of direct relief and the high tax rate that it has brought about. To-day no one wants to own real estate. Millions of dollars of additional taxes for relief have been placed on Toronto real estate, and I do not know how the people are going to carry on. Of the Toronto tax rate four or five mills are devoted to the care of the unemployed, the ill and the suffering, although a federal burden. Speaking of the sick, parliament spends about three and a half million dollars on the health of animals, but what about human health? We have had epidemics of infantile paralysis; we have many other diseases that are widespread; yet all we spend on public health is $442,000 out of $600,000,000. The other day we read in the press about a poor woman in Nova Scotia who was very ill during childbirth. A doctor tried to reach her but, through no fault of his own, was unable to save her life. When we read such things in the newspapers, and see the very high death rate from different diseases we should realize that the time has come when, instead of having a national skeleton health department, we should have one that will be adequate to take care of this most important work. I hope parliament will take a forward step in this connection.

I hope the Department of Labour will bring forward within the very near future some plan which will provide index figures for families with incomes under $1,200, with the cost of food, rent and other expenses. The minister is continually tinkering with his relief bill, so that the municipalities do not know where they stand. I am asking for a stable policy. The people do not want relief; they want work.

There has been mention of the government's policy of defence. I hope that some day in Canada we may have a generation of Canadians who will think far enough ahead to save Canada by careful preparation rather than by wasteful and bloody sacrifice such as we have known before. In its defence policy the present government has done everything by fits and starts, and has done nothing right. An armed Britain is the greatest security we can have for the peace of the world. We are not dependent upon the Monroe doctrine or upon a pan-American doctrine. If we were we would have cause to be sorry some day.

We must depend upon an armed Britain because we have practically no air force, no fleet and only a very small armament. In many ways Canada is in grave danger to-day. On the other hand many of the proposed expenditures are wasteful. The Minister of Public Works (Mr. Cardin) is not in his seat, but speaking at the St. Henry by-election on January 12, he said, according to reports in the Quebec and Ontario press:

> Our outlay for armaments is only seven per cent of our national budget, a modest expenditure. Some of our cannons are very venerable; much of our artillery is still drawn by horses. We must modernize, and that is just what we are doing.

The Secretary of State (Mr. Rinfret) proposed to complete the building of the Canadian National station. Further, he agreed to take away level crossings. I do not blame him for making those promises, when speaking in a by-election contest. At the same time, speaking as the acting-Minister of Public Works to-day, he should have realized that from Niagara-on-the-Lake to Queenston and Lewiston and lake Erie to Chippawa the Niagara river is a navigable stream, and it is the duty of the government to have ice-breakers to keep it in proper condition. The ice could have been regulated, just as it is regulated on the St. Lawrence river. However, I sometimes think the minister does not want to do anything for Ontario. It is all right to spend huge sums, millions of dollars, for development in the Richelieu river canal, but when it comes to protecting power companies on the Niagara river in Ontario, which are owned by the municipalities or by the province, from this great danger, he has not a cent to offer.

In my view one of the results of the rise of dictatorships has been the silencing of pacifists the world over. If any people could be held responsible for bringing the British Empire almost to the verge of destruction, they are the ones. However for the last while we have not heard much from them. I hope some steps may now be taken to tell the country something about Canada's defence policy. What is Canada's defence policy? Does anybody know what it is? No, nobody knows. I have been trying to find out what

member of the government is in charge of Canada's external affairs and foreign policy. The present government appears to object to the constitutional, traditional principle whereby all questions of Canada's foreign policy and the administration of its external affairs and of this great trust must be put before the House of Commons by the government in power. Will we have opportunity to challenge some of the actions of our government?

It is all very well to be dependent upon the United States, but may I point out that in the August, 1937, issue of the English Review there has been a criticism of that policy:

> We have recently seen a great push in favour of the American trade agreement. "What is our trade with the dominions compared to what our trade with the United States might be?" is the slogan, and we are adjured in many quarters to drop the substance of preference for the shadow of American goodwill. It is just as well for us to remember the occasions since the war when we have altered our policy in the hope of pleasing Americans of the United States. The first of these was the establishment of the league of nations as part of the Treaty of Versailles. We agreed to this at the behest of President Wilson; France only consented on condition that Great Britain and the United States of America gave her a joint guarantee of security. The ink was hardly dry upon the parchments when the United States of America refused to honour President Wilson's signature, and alike repudiated the Versailles Treaty, the guarantee of security, and the league of nations. The next great change in our policy "to please the Americans" was at Washington in 1922, when we abandoned our alliance with the Japanese, who had been our invaluable and faithful allies for nearly twenty years. The result is the loss of Japanese support and friendship, but no gain in America of either. One more notable instance of the pursuit of American goodwill and failure to attain it was seen in the Irish Treaty. We were told by the promoters of this affair that "if only we would give way in Ireland" to the gunmen who had been murdering the British "the last resentment of America against us would die away." We gave way to the gunmen. Ireland is more embittered than ever and the United States of America just as unfriendly. This new proposal comes from a set of people who will join with any project likely to damage this country. In this case the motive force is Gold. America buys gold, South Africa produces large quantities yearly, Canada and Russia are also gold producers. The power behind the movement to get us into an American treaty is the power of the gold producers, backed by the gold manipulators of the world. They want us to buy American goods in order that she may buy their gold.

That is from a leading review in England, and is written by a great man.

[Mr. Church.]

With respect to the Anglo-American pact may I say that I am not one of those Conservatives who on all occasions wishes to apologize for this party's action in defeating reciprocity in 1911. Reciprocity in those days would have made a Lazarus out of every man in Canada, and of a country that Laurier had said he made a nation, just as it would have made a Lazarus out of every returned man who fought at Amiens, Vimy Ridge or any other field of Canadian glory.

I am not in favour of handing over our own market to the Americans or to any other people. I believe in the policy of Joseph Chamberlain, that great man who introduced in 1906 the policy of imperial preference. Had those policies been carried out thirty years ago we would not have had the war which broke out in 1914.

The British trade agreement was ably secured by the present leader of the opposition in 1932, which gives him the leading place in history. By bringing about the Ottawa agreements the present leader of the opposition in that year made the dream of Joseph Chamberlain come true. What did the present Prime Minister in England have to say about it at the Conservative convention there. He said that as a result of that treaty the trade from the dominions to the motherland had increased by 41 per cent, and the trade from the motherland to the dominions had increased by 46 per cent. There had been a corresponding increase in international trade. That was the result of the treaty which was made by my right hon. leader, and which was thus twice blest. Are we going to give up the advantages we gained from it over to the United States? Certainly we are not going to give it up for something that is uncertain.

The Anglo-American treaty is not commercial. Rather it is a political treaty brought forward in an effort to gain support for the government. A very fine gesture has been made by President Roosevelt. It was a gesture to try to get out of the supreme court difficulty. It is well known that he is in wrong with the cotton growers of the south and the farmers of the middle west, with respect to his new deal policy. It will be just a political treaty and will last only three years as the Republicans have announced that they will abrogate it if they are returned to power. Australia and New Zealand are looking at this proposed treaty with a great deal of doubt.

When I look at the counters in the departmental stores in Toronto I can see why our home market is ruined with goods there from foreign countries. Canada is being made a dumping ground for cheap and shoddy goods from about thirty countries of the world to the loss of our steady home market. The result is that no home market exists. I stand where I stood thirty years ago on the Conservative platform, our own work for our own workmen and our own markets for our own products. That is as true today as it was then.

This Anglo-American treaty is not a commercial treaty; it is political in all its aspects. We should make every effort to see that its terms are not carried out. Are we going to make a similar mistake and enter into the same sort of haphazard treaty? Are we going to enter into a treaty which will do more harm than good? If we do we will soon see the mistake we have made on the war debt policy. Canada is a commercial country; England is a commercial country, and the British Empire is a commercial empire. Our problems are commercial and it is the duty of our statesmen to draw closer the commercial ties between the various parts of the empire. That is what our statesmen should be doing instead of giving away their markets to the United States or clamouring over the strife in Europe.

This government must decide its attitude toward industry. Is industry in this country to be fettered and bound? Industry should be run by those who understand it, not by a lot of amateurs and university professors who sit on the different commissions. I object to too much interference by the state in the conduct of business. At the same time, I believe that labour should be given a larger share of the profits and rewards of industry.

To go back to this Anglo-American treaty. The senate of the United States may take away from the president the power he possesses now to make these agreements.

I am glad the Minister of Justice (Mr. Lapointe) is in the chamber as I have something I should like to draw to his attention. I am much concerned over the great loss of life in motor accidents. A committee of the House of Lords was appointed to look into this question and after it had made its report it was found that the number of accidents in Great Britain decreased considerably. The time has come when we should make an effort to stop this loss of life. A committee of this house should be appointed to inquire into this matter. If we were to put up wooden crosses for those who have lost their lives and those who have been injured in Canada during the past five years we would not have room to place them outside the parliament buildings even though they were put only two inches apart.

The time has come when the people of this country expect results from the party system. Unless we get busy, no one knows what will happen in 1940. I have been told by some that there will be an election this year, while others have said there will not. Who will win then? That reminds me of the battle of Dundee where some said, "we ran," others said, "they ran" and others said, "nobody ran." Unless the government get busy they will hear from the working people of this country.

The British dominions are being threatened by this proposed agreement. This Anglo-American treaty is more political than commercial. It is one of the results of the European situation and the race in rearming. We have lost two of our best allies in Italy and Japan and this is one of the results of our diplomatic reverses. This gesture is being made toward the United States as the result of the foreign policy of Great Britain. For generations the policy has been that trade should follow the flag, but that seems to have been thrown overboard. This treaty will destroy empire preference and empire cooperation and union. We are taking a backward step in the matter of preference from the steps taken in the days of Joseph Chamberlain, Sir John Macdonald and Sir Wilfrid Laurier. This is a heading that appeared in the Washington Post of November 17, 1937:

> Trade Treaty Between U.S. and Britain is Imminent
>
> Call to Negotiations Due Momentarily in Reply to Fascist Moves
>
> Political Meaning to Rival Economic

This agreement will destroy the structure of the Ottawa agreements. It means a breaking of faith with India and the other members of the empire.

Mr. E. J. POOLE (Red Deer): Mr. Speaker, upon perusing very carefully the speech from the throne the one thing that struck me was its vagueness. It would appear that the Liberal party, now that they have attained power, have lost many of those fine qualities of which they spoke so glibly in their days of opposition. I have made a point in the last few days of going through some old Hansards, and I find that in the Liberal party there are

many extremists; but that was when they were in opposition. That was when they were appealing to the electorate. But not now—that is all forgotten.

The question of trade has been dealt with, and some indication given of new agreements to be made. It was said in this house the other day, or at least implied, that the social credit people do not value trade. Let me say here and now that we have never minimized the value of trade. We recognize its value, but we also recognize the unnatural restrictions on trade because of the shortage of purchasing power in the hands of consumers in every part of the world. We do not, however, look upon trade as a solution of our economic ills. We do not believe that a market in Japan for Canadian goods is of greater value than a market in Canada. It is our belief that the people of Canada should be fed first, that they should have access to the goods that can be produced in such abundance in this country.

Living conditions in this country have not improved since this government came into power to the extent they would have us believe by their jubilant speeches made across this country in the recent by-elections. We would probably have more sympathy with the government if it was through their efforts that trade had been increased, and if commodities which have been sold in greater volume had been natural commodities, commodities that were going to add to the happiness and health and wealth of the peoples of the world. But I say, Mr. Speaker, that the goods which have been shipped out of this country, and which are responsible for the slight increase in production and some semblance of prosperity, have been metals to be used for armament purposes. I think it is a terrible price for the Canadian consumer to pay, in order that he may have a job to-day and perhaps one to-morrow, that we should better our conditions by supplying Japan with war materials which to-morrow may be used to shoot down and destroy Canadian youth. If that is the only kind of trade we can depend upon, if that is the only way we can have brief prosperity, then I say the price is too great.

There is one subject I want to discuss in the short time at my disposal, and that is the attitude of this government with regard to the province of Alberta. What we have endeavoured and are endeavouring to accomplish there at the present time is exactly what was advocated by the present Prime Minister when he was appealing to the electorate in 1935—to issue credit in terms of public need. The difference, however, is that we meant what we said but the Prime Minister did not, or probably the Prime Minister did not have the same public in mind. I know that the people of western Canada, and I have travelled over it extensively in the past year, have not been the beneficiaries of any new financial policy. I have seen no credit in their hands. The only credit they have is real credit; that is, the ability to work, the ability to construct; but they have never had the opportunity of applying that all-important financial credit to their real credit in order that they may enjoy the wealth of the Dominion of Canada.

The province of Alberta brought down to the legislature three measures that were passed by the house but were disallowed by this government. I wonder what this Liberal government is going to do about the padlock law of Quebec. Is there one rule for the west and another for the east? Is Quebec privileged? The difference, Mr. Speaker, is that the padlock law was going to close up and destroy those organizations which had banded themselves together for the express purpose of making their way out of their terrible conditions.

It struck me as rather strange the other day when I read in the press of a minister speaking in Quebec about communism. Last year I attended a public meeting in this city where again they expressed their horror of communism. I fear communism far less than I fear the laissez-faire policies of the Liberal government, because communism is the cause of nothing; it is an effect. I am not defending it. I am not a communist, but I believe that in a democracy every section of society has the right to express its opinion and the right to enjoy the same privileges as anybody else. They have the right to be wrong. I look upon the padlock law of Quebec as the first step towards a fascist state. There has been no effort made on the part of this government to disallow that law, but it moved with great rapidity to disallow the Alberta legislation. Of course, the difference was that the measures we proposed were against that all-powerful organization, the money organization.

May I, Mr. Speaker, ask the Liberal government to give us at least some indication of when they are going to bring down some measure of monetary reform and tell us when they are going to issue credit in terms of public need? We still have thousands of unemployed people in this country; we still have thousands of our fellow-citizens living under deplorable conditions while at the same

time we have available all kinds of building material, all kinds of human labour and all kinds of machines, and at a time when there is no question about the need for better conditions. Unfortunately the Liberal government has not yet issued credit in terms of public need. I say again this year, as I did last year, that if you are depending upon trade agreements and expanding markets to bring about prosperity, God help the people of Canada. I question the sincerity of the Liberal government. When I saw the Prime Minister come into this chamber on the first day leading with pride the new Liberal members, I thought it might have been more appropriate if the leader of the opposition had led them in, because I have always contended that the present leader of the opposition was the leader of the Liberal party, since it was through his failures that they got where they are. On the other hand it is just as true, I think that the Prime Minister is the leader of the Conservative party, because it is through the failures of this government that the Conservative party will go back again.

Mr. STEWART: Fifty-fifty.

Mr. POOLE: The other day the leader of the opposition, turning in the direction of the Prime Minister, said something to this effect, "I do not see any great difference between your policy and the policy which I pursued." I agree. The only difference between them is the height of the tariff wall. They have never yet dealt with a real issue; and if this speech from the throne is any indication of their activities this coming year, the Canadian people can expect no great measure of reform from the Liberal government.

At the beginning of my address I said that in the Liberal party there were extremists. I find in Hansard of February 1, 1934, at a time when the Liberal party sat to the left of the Speaker, the following extract from one of the platform addresses of Mr. J. A. MacMillan:

> I am not an extremist, but I believe that the same authority that came into our homes during the war and took our sons from the knees of their mothers, because there was a national emergency, should not be afraid to take similar steps to bring to the aid of the nation all surplus wealth. We conscripted men, why not money? There is now another national emergency that will have to be faced resolutely and squarely, if the country is to weather the storm. One of the ways out of the difficulty would be to get rid of the terrible burden of interest by paying off a substantial portion of the national debt, and this can only be done by conscription of wealth.

The speaker was not a social crediter or a member representing the Cooperative Commonwealth Federation; he was a Liberal who now sits on the government benches. What has happened since that platform address was delivered? Just one thing. The Liberals have come into power, and now, I suggest, they are afraid to tackle this problem, afraid to deal with the cause of depression. That cause is definitely money, purchasing power. There is no such thing as a depression. A "depression" would suggest that we are short of goods. If we were short of goods there would be no unemployed. We have plenty of goods; we have also plenty of people who cannot get the goods; and the only purpose of our productive machine, our whole economic machine, is to enrich life by making available to the people all those things that can be produced by the knowledge of men.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, February 3, 1938

The house met at three o'clock.

RAILWAY ACT AMENDMENT

JURISDICTION OF RAILWAY COMMISSION OVER TELEPHONE TOLLS AND SERVICES

Mr. WILFRID LACROIX (Quebec-Montmorency) moved for leave to introduce Bill No. 14, to amend the Railway Act (telephone tolls).

Motion agreed to and bill read the first time.

CORRUPT ELECTORAL PRACTICES

INQUIRY AS TO COMMITTEE TO INVESTIGATE ALLEGED LEVIES IN CONNECTION WITH RAILWAY CONTRACTS

On the orders of the day:

Mr. R. A. PELLETIER (Peace River): Before the orders of the day are called I should like to direct a question to the Prime Minister (Mr. Mackenzie King). Will the government appoint a committee to investigate alleged levies made in connection with Canadian National Railways contracts?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would suggest that the hon. member place his questions on the order paper, where they can be answered in the regular way. Questions asked on the orders of the day should be confined to matters of exceptional significance or urgency.

DRILLING OF UNIFORMED CLASSES

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I direct a question to the Minister of Justice (Mr. Lapointe)? In the Montreal Gazette of January 31 there is an item accompanied by photographs showing uniformed classes drilling under former officers of the regular army. May I ask the minister whether this matter will be investigated, and whether he will consider applying section 99 of the criminal code which authorizes the governor in council to prohibit military exercises, movements or evolutions?

Right Hon. ERNEST LAPOINTE (Minister of Justice): I have seen the newspaper article and the photographs to which my hon. friend refers. I will take his question as a notice, to be answered to-morrow if possible.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 2, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. E. J. POOLE (Red Deer): Mr. Speaker, before we adjourned last night I endeavoured to point out to the government the vagueness of the government policy as represented by the speech from the throne. I also dealt briefly with living conditions, as well as the discrimination shown against the province of Alberta. In view of the remarks of the hon. member for Huron North (Mr. Deachman) I should like to make a few observations. May I say to him that Alberta never failed. The question between that province and the dominion government is a constitutional one. I have clearly in mind, however, the words of the Prime Minister (Mr. Mackenzie King), uttered some two or three years ago, when he said that his policy would be "Hands off Alberta." Since that time, however, beyond all question we have seen evidence of discrimination. Only two years ago the dominion government refused to meet the maturing obligations of the province of Alberta, while at the same time it met the obligations of the other provinces. Recently it disallowed acts of the Alberta legislature, but it has not seen fit to disallow the so-called padlock law of the province of Quebec.

The question I asked last night, and which I emphasize today, is this: Is the government going to disallow a measure brought down in the Alberta house, a measure which definitely forms part of the mandate given to the Alberta government in 1935, and which they are entitled to carry out, and on the other hand allow Quebec to get away with the padlock law, which deprives sections of Canadian citizens of the right to express themselves?

While in the house I have heard much talk about democracy. What kind of democracy have they in Quebec? While we are on this question I should like to place on Hansard a few extracts from The Instructor, a magazine published in Quebec, which deal with the same question in a different way. I quote from the speech of Sir Edward Beatty, one of our foremost businessmen, delivered at Vancouver, in which he says:

> The leadership we need in this country is not that of outstanding national figures making resounding speeches. It is the leadership of ordinary men and women in their own small spheres.

The article goes on to make this comment:

> That sounds like the right note; but is it as good as it sounds? Will any man or woman in the employ of the Canadian Pacific Railway, or in the employ of any of the companies under the control of the financial group of which Sir Edward is an important member, venture to make a move in any direction until Sir Edward leads the way?
>
> It is not so long since an eminent scholar, Arthur E. Morgan, left the position he held as principal of McGill University under the chancellorship of Sir Edward. The reason was not made public but rumour persists that Principal Morgan had to leave because he permitted and defended free speech on the part of his staff. Did Sir Edward support him? Or did he let him go? He went.

Mr. Morgan went. The Toronto Globe and Mail takes up the question in an editorial in which comment is made upon the speech of Sir Edward made at Queen's university when at that institution of learning a few weeks ago he was given an honorary degree. The editorial offers the following challenge to Sir Edward:

> Certainly no professor should be silenced merely because his words are likely to offend wealthy university benefactors, or because he has departed from the beaten path of hitherto accepted theories.

I contend that there is too great an effort in Canada to silence the views held by some people. We want free access to information,

and further we want free speech. The government should move with the greatest rapidity to disallow the padlock law of Quebec.

Yesterday I spoke briefly about living conditions. Today I was handed a list of figures which I find most interesting. They relate not to the standard of living of people in western Canada, but to that of people living within a few hundred yards of this chamber, in the capital city of Canada. The following table sets out the monthly relief ratio for the city of Ottawa:

For a family of two. . .	$21.77	plus $10 rent
For a family of three. .	$26.32	plus $11 rent
For a family of four. . .	$30.77	plus $12 rent
For a family of five. . .	$36.07	plus $13 rent
For a family of six. . .	$40.41	plus $14 rent
For a family of seven. .	$44.63	plus $15 rent

Out of that meagre sum people have been trying to exist for the past six or seven years. These men are endeavouring to support the democratic system. Is this the kind of freedom we are to have in Canada? Is this the kind of freedom and the kind of democracy I am asked to support? The kind of freedom and democracy I support is the one which will reflect happiness in the lives of all the people.

The instructor sets out another set of interesting figures, and, when compared with the figures applying to the most destitute of our race, they are astonishing. I find that the president of an insurance company in Canada receives $200,000 per year, while the lowest paid vice-president—and there are several of them—receives $160,000 per year.

In Canada we have heard a cry raised against people who are classed as radicals or communists. May I point out to hon. gentlemen on the ministerial benches and to the private members of the house that while they are in the city of Ottawa they ought to visit the soup kitchens in this vicinity. Go into the homes of the people who are dependent upon help. We must conclude that when these people have no freedom, all this talk about freedom and democracy is stupid. Their freedom is limited by the distances they can walk, because they have no money to go anywhere else. They are denied the recreation which men and women should have, and yet they are just as worthy of consideration as presidents of insurance companies and other big business executives.

When I said the speech from the throne was vague I meant just that; it contains nothing. I have spoken briefly about financial reform. Let me once more place upon Hansard the views stated at one time by the Prime Minister, because while I am a member of the house he will never be permitted to forget the promises he made. I read from a pamphlet issued by the Liberal party which, under the heading "Mr. Mackenzie King," states:

> The right hon. W. L. Mackenzie King, leader of the Liberal opposition in the house, in opposing the Bank of Canada bill clearly enunciated the policy of the Liberal party upon the issue and control of national currency and national credit. Condemning the Bennett Bank of Canada bill, Mr. King said:
>
> "I want to take very strong exception to what the government is doing. They are declaring for a privately owned and privately controlled bank.
>
> This is going to an extreme . . . which will be found to be very much against the public interest."

With that I agree. I quote:

> Repeating the policy enunciated by him on February 27, 1933, he said:
>
> "The Liberal party believes that credit is a public matter, not of interest to bankers only but to direct concern to the average citizen.
>
> It stands for the immediate establishment of a properly constituted national bank to perform the functions of rediscount and the control of currency issue considered in terms of public need."

That means relief needs, giving to these people a chance to live. That is what the Liberal government was elected for. Platitudes concerning democracy or expressions of contempt and hate for radicalism will not change by one iota the conditions that exist. This is a job that should be done this session, not the next. The people of Canada will become tired of promises; they will soon weary of listening to high sounding phrases just before an election. They are beginning to question the sincerity of the government. The very foundations of the things we love so well are apt to be destroyed. If you want to stamp out radicalism and communism you will have to go to the breeding grounds. You will have to go to the soup kitchens and visit the poor families in western Canada who are shackled down with debt.

There are many ways in which our national credit can be used without inflation. It is not necessary to have a rise in prices over and above the volume of goods. We have sufficient national wealth to enable us to build highways and carry out the necessary housing schemes. We should be able to reduce the debt of the farmer and give him a chance to live. Some consideration should be given to the men who have homesteaded and pioneered in this country.

The first step the government should take should be to abolish all kinds of relief. There should be a program of national development, which could be carried out through the use

of the credit which the bankers have always used. We could use our own credit and our own national resources. We should try to develop the youth of our country to make their lives happier and richer. If we do that, communism and radicalism will disappear like the mist before the morning sun.

I am surprised that any hon. member who sits on the government benches should question what is being done in Alberta. If we fail in Alberta it will be because the Liberal government did not keep its promise to keep its hands off Alberta. We know what we are about.

Another condition that has developed during the past six or seven years is the lack of training of our youth. In the last few years at least four new trades have developed. Diesel engineering and refrigeration are only two of the newer trades. If we were to use our national credit to-morrow and bring about a real prosperity, if we were to do all the things that should be done, we would find that there was not a sufficient number of trained men available.

We speak of money credits, but the greatest credit we could have is the intellectual and physical resources of the nation. The youth of the country is our greatest asset, but their development has been neglected in the last few years. Let us call a halt to this befogging of issues; let us get down to causes and not effects. Let us carry out the principles which we have been sent here to carry out. Let us act in the interests of all people, not only of some. When we issue credit, let it be to all the public, not to just a part.

Many Liberal members have advocated monetary reform, but they have been very quiet since they have been in power. Now is the time to do it. They will never be able to do it in opposition. All they will be able to do then will be to point out what should be done to those in power, as I am doing now. We cannot wish our national problems out of existence. They cannot be remedies by platitudes or fine speeches. What is needed is the necessary legislation to make these things possible and the first thing that should be done is the issue of national credit. This credit should be used to build up national assets. When this is being done consideration must be given to the question of prices. The necessary machinery must be provided to keep prices down to reasonable levels. We should increase the value of the dollar and increase the volume of goods produced.

So on behalf, not only of the people of western Canada but of the other poor people in this country who have been ignored and who are defenceless against those who are criticizing them for their radical tendencies, I make this appeal to the Liberal government: For God's sake show some leadership. Any legislation brought down for monetary reform will be supported by hon. members in this corner. We are ready to support any program which will provide work for the people, which will build up again the morale of our youth. If you want to maintain democratic institutions, I suggest that you act in a democratic way and carry out the mandate of the people. You should give these people a hope of a new life and of greater security than they have ever known before. It is quite possible to provide a standard of living commensurate with our ability to produce.

Hon. H. A. STEWART (Leeds): Mr. Speaker, we have entered upon the third session of this parliament, and we are now considering the motion for an address in reply to the speech from the throne. The first session was devoted largely to repealing legislation passed by the former government. There was an apparent disposition to destroy the legislation which the previous government believed was in the interests of the people. The second session went by without any really constructive legislation being enacted. In this, the third session of the eighteenth parliament, the people of Canada are looking forward to legislation calculated to deal with the more pressing problems that confront the country.

We looked for some indication of this in the speech from the throne. One or two matters were mentioned, such as the economic recovery, the condition of trade, and the strains and stresses which have been placed upon Canada's government structure, the latter being dealt with under the heading of the appointment of a royal commission. I think it is not unfair to say that the speech from the throne is disappointing in that it does not contain more in the direction I have indicated. It is really a pale, pallid, anæmic imitation of what we had a right to expect at this time.

Reference is made in the speech to the imperial conference recently held in London. That conference had an extensive agenda, and one would have expected that after weeks of deliberation in the conference this government might well have had something concrete and definite to present to parliament as a result. For instance, in the opinion of thoughtful people, and those in this house I believe belong to that class, I think the time has arrived when there should be submitted to parliament a well-considered scheme of immigration. I know that at the present time this subject is a difficult one, but for

the ultimate development of Canada there is undoubtedly need of a substantial increase in our population.

Mr. DUPUIS: Is the hon. member speaking for his party or for himself?

Mr. STEWART: I am speaking for myself, as I assume my hon. friend is.

Mr. DUPUIS: I am glad to know it.

Mr. STEWART: I say that we have in Canada a nucleus around which could be built a much larger population than we now have, and while it might be undesirable in certain respects that large numbers should be admitted, still I do think we should be developing a plan for bringing into Canada, placing them in areas where they are required, selected immigrants of a class and kind that can be easily assimilated and who will fit into our national development.

I am sure that at the imperial conference the subject of defence was also discussed, but we have no reference to any policy in connection with defence in these troublous times. These are two subjects, Mr. Speaker, upon which I think we might have expected some pronouncement from the government in the speech from the throne.

Reference is made in the speech to the coronation. Those who had the privilege of attending and witnessing that splendid spectacle will never forget it. It had a peculiar significance. It was a magnificent demonstration of the strength, unity, and dignity of the British commonwealth of nations, all coming together and taking part in a solemn dedication. We believe that their majesties are firmly established in the affection and confidence of the vast numbers of their subjects, and we recognize Great Britain today as the greatest single national influence making for peace and security. I am sure that as a member and partner in this great commonwealth of nations, we all agree that it is our privilege and our duty to keep in constant communication and consultation with Great Britain, and to cooperate so far as circumstances will permit in achieving that peace and security which this world so sorely needs, if indeed it is possible to achieve it at this time. The impression made upon the world must indeed have been most favourable, the coronation coming, as it did, just after a great constitutional crisis. The two taken together must have convinced the representatives of the different nations of the world assembled in London of the strength and capacity of the commonwealth to which we belong.

The next subject referred to in the speech from the throne is that of economic recovery and trade expansion. That has been dealt with so thoroughly by many speakers who have preceded me that I do not propose to discuss it at any considerable length. Emphasis is placed upon our expanding revenues. So far as these indicate an increase in the volume of our trade it is a matter for satisfaction, but so far as our expanding revenues are attributable to increased taxation the condition is not so satisfactory, because, as we all know, the revenues of this dominion are derived from taxation, and the people of Canada are groaning today under the weight of taxation that they have to bear in the various fields.

We used to hear a lot about nuisance taxes. But we still have them. We used to hear from our friends opposite that the revenue required for the operation of radio should be obtained from a tax on tubes or by some means other than through a licence fee. It was suggested that the licence fee of one dollar should be abolished. It was raised to two dollars, and that was pointed to as an act of injustice and unnecessary taxation. But a recent proposal was to raise the fee to three dollars, and finally a compromise apparently was reached at $2.50. So that to those who thought the licence fee of one dollar should be wiped out, and that two dollars was an excessive charge, $2.50 now seems to be just about right. And not only is it $2.50 for a radio licence, but $2.50 is to be exacted in respect of every radio which one may have, whether in his house, in his car, or anywhere else.

If one had time to analyze the extent of our trade expansion it would be found that a substantial part of it is due to the negotiation of the empire trade agreements that were completed in 1932. There is no doubt that our increase in percentage is greater on our trade with the empire than in any other direction, and the cumulative effect of the working of these agreements over a period of four or five years is very important in connection with our trade expansion. There will be an opportunity at a later time to go more extensively into details in connection with this matter. Suffice it for me to say at the moment that we have a preference in the best and most extensive market in the world, a preference that was acquired after years of effort by both political parties. Let us see that that preference is preserved, and in our commendable anxiety to expand our trade in other directions let us be careful that nothing

is done that will detract in any way from the great and permanent advantages secured by that undertaking.

New trade agreements have been negotiated. That is of course satisfactory, but I would suggest to the government that they are inclined to place too much emphasis upon the foreign market. There is an old saying that far-away fields look green, but sometimes when you arrive at those far-away fields they are not as fresh and green as they appear from a distance. In our desire to secure foreign markets let us not overlook or neglect or endanger the great home market. It is a market which is under our control, it is ours, it cannot be taken away from us unless we give it away, and it consumes a very large portion of our natural products. Already there is alarm on the part of primary producers of agricultural products in the dominion that in the negotiation of trade agreements their interests may be adversely affected. I have had representations in this connection from vegetable growers and other primary producers; and I hope that the government, in the negotiation of these treaties, will not open too many doors for entry into our own market, which it may be difficult to close. It is all very well to say that tariffs should be lowered, but it is in times of depression that these tariffs are most needed. Living as we do beside a nation of 130,000,000 people, immediately a depression sets in there is an inevitable tendency to dump on the markets of Canada the products of that country, and it is then that a tariff reduced below a reasonable level fails to protect Canadian producers.

I say again, we have the home market; let us appraise it at its true value—for I fear we do not always appreciate its value. Let us be careful that in our agreements we do not barter it away, that we do not leave it, in the times of depression which will inevitably come, in an exposed and defenceless position.

Reference is made to prairie drought rehabilitation. This is the continuation of a policy which was started some years ago; it is commendable, and I hope that the results will be satisfactory. The same remark applies to youth training. The Department of Agriculture reorganization is hardly worthy of mention in a speech from the throne. Such reorganizations take place from time to time, and I have looked in vain for any new policy or anything different from what has prevailed in that department in the past with respect either to administration or to the marketing of farm products.

Reference is made to the reports of commissions that have been investigating subjects referred to them from time to time. A great deal has been said, and some of it with force, to the effect that governments are inclined to pass over to commissions responsibilities and the discharge of duties which in the ordinary course they should assume themselves. That is not always true. Commissions are in some cases useful and helpful. But I submit that at least one of these commissions is an expensive and a useless duplication of existing machinery. I refer to the commission appointed to investigate the textile industry. As hon. members know, we have a well-constituted, well-established tariff board set up in an independent position, free from political influence, with all the machinery, staff and equipment required for the investigation of conditions in connection with any industry in the Dominion of Canada, competent to discharge that duty, and from day to day discharging it on references to it in the ordinary course by the Minister of Finance (Mr. Dunning) or by the government. We naturally ask ourselves, why was this competent organization not entrusted with the duty of investigating conditions in the textile industry? It would appear to be within the scope of its authority and in the line of its duty; it would appear to be an undertaking for which it has special qualifications.

Another objection which I take to this investigating commission is that at times its proceedings appeared to have a political slant. Of the other commissions I have no similar remarks to make. As to the veterans' assistance commission, we have been expecting a report from it for a long time; we pressed for it last session but for some reason we were not able to get it. The national employment commission is of a different type. It has made a report which will be read with interest by hon. members. From time to time interim reports have been made, and statistics have been gathered and classified; that appears to have been the principal work of the commission. We hope that as a result of its report we shall have some action by the government which will help in the solution of this question.

The facts about unemployment as I gather them are these, that it began its last cycle in 1929, continued in 1930, and has been with us since. The extent of it in 1929 and 1930 was not appreciated or understood by the

government of the day, and accurate, reliable statistics were not available at that time. I have endeavoured to follow the proceedings of this government and of this commission, and I can find no really effective change in the policies that were adopted from 1930 to 1935 to deal with this very difficult problem. In fact, in what is being done I see a tendency on the part of the government to back-track and to pick up some of the policies which they condemned in the years I have referred to. They condemned, of course, the camps, and having condemned them they abolished them, with the result that we find travelling up and down the country on the trains men who ring doorbells and beg from house to house—men who when these camps were in existence found a comfortable lodging and proper care and attention.

The speech from the throne refers to the appointment of a body of investigation known as the Rowell commission, and in that paragraph it refers to the stresses and strains that have developed in confederation and the need for Canadian unity. We all agree that these conditions exist. Some of them are the results of changed and changing conditions and of misunderstandings in a federal constitution, with a divided authority, the line of demarcation being in some cases difficult to define. Another cause is the temptation, for purely political expediency and advantage, to proclaim conflicting policies in different parts of Canada on fiscal and other questions. There is an old saying that if you sow the wind you will reap the whirlwind. A political party may advocate in some parts of Canada, no tariff, in other parts of Canada, a low tariff, and in still other parts and at other times a tariff for revenue, and free trade, wherever such appeals may be advantageous; and that party may secure power on the strength of such conflicting appeals. But the advantage is temporary. You may for a time criticize and condemn an expenditure of eight or ten million dollars for national defence, and later—not very much later—attempt to justify an expenditure of thirty-five millions for the same purpose. When such a policy is adopted it is easy to understand why there are differences of opinion, why there is misunderstanding, and why there are these stresses and strains that have developed over a period of years.

Unfortunately the present government and some of their supporters have adopted this policy in years gone by; they have sown the wind and we are now reaping the whirlwind of misunderstanding and enmity and national divisions in Canada. There is a lesson in this for us all, for every party, and a lesson for the individual. I hope that we shall take it seriously to heart. This should be avoided if the spirit of confederation is to be preserved and if we are to develop harmony and a national outlook. Parochial, provincial and sectional policies, if they ever had any value in Canada, have outlived their usefulness, and through them we cannot deal with and solve the problems that confront us to-day.

A subject that is mentioned in the speech from the throne is the amendment of the British North America Act, our constitution, now seventy years old. This is a subject that must be approached with great care; it is a subject that must be dealt with if we are to go forward, if we are to achieve the objects of confederation, and if we are to discharge our duties and responsibilities at this time. We must go slowly, with patience and tolerance, with good will and a sympathetic desire to understand all the conflicting views and interests. At the outset there should be, in my opinion, unanimous assurance that the rights of minorities as defined and set out in the British North America Act will not be the subject of discussion and will not be a matter for consideration in the revision of the constitution. If this is done and if the amendments are properly considered, I am sure the same courage and faith that were manifested by those who framed our constitution will enable us to solve our present problems.

As regards unemployment insurance, I think it is long overdue. It was, I believe, a plank in the platform of the present government as far back as 1919; and now, almost twenty years after that time, they are proceeding to deal with it. We had a law providing for unemployment insurance. Efforts were made to establish a scheme, but that law was destroyed by premature reference to the courts on material that was by no means exhaustive and definite or concrete. Unemployment insurance will not give any immediate relief to a very large number who find themselves out of work; it will be limited in its application and there will be a lag between the time of its enactment and the time it comes into effective operation.

Another matter is the export of electrical power, a subject which I submit is of great importance to this dominion. During the years that have passed in this century, from time to time commissions of conservation, governments, and others familiar with the production of hydro-electric power in Canada have emphasized its value, its importance to the development of the country; and from time to time it has been pointed out that the

interests of Canada demand that as far as possible this valuable resource should be retained for the benefit of the Canadian people. This has been the policy of succeeding governments, and I hope that when the matter comes up for discussion we shall approach it from that standpoint; that we shall deal with the question entirely upon its merits and not be influenced by challenges, threats, propaganda or lobbying, even though these proceed from the premier of a great province in the Dominion of Canada.

There are one or two other matters to which I wish to refer briefly, matters more or less of local interest. The Farmers' Creditors Arrangement Act was passed in 1934 and was brought into force in different parts of the dominion at different times during that year. Its objects were the very worthy ones of keeping efficient producers on the farm; of enabling them to effect compromises or reductions of their liabilities; of bringing the best possible results to the creditors at the same time, rather than having the assets liquidated to the disadvantage of both. A large number of proposals have been submitted under the act. The return brought down recently by the Minister of Finance (Mr. Dunning) carries the operation of the act up to March 31, 1937, and as of that date 26,543 proposals had been submitted, of which some 19,000 had been disposed of. The average reduction on the secured debt was 28·78 per cent and on the unsecured debt 44·14 per cent. The total average reduction on both was 30·69 per cent. The total debt dealt with in this way was $107,500,000 odd and the total reduction about $33,724,000. A large number of these applications remain to be dealt with yet. During the year preceding March 31, 1937, there were 5,776 applications dealt with, and on that date there remained to be considered some 4,261 applications, while new applications filed during the year numbered 5,407. It would seem that the applications disposed of almost equal the new applications received.

Mr. DUNNING: Rather more last year. They have speeded up quite a little bit.

Mr. STEWART: I would expect that to be the case last year; I think the minister is right. My personal knowledge agrees with his statement in that respect.

This return gives detailed statistical information which is very interesting. It is well known, Mr. Speaker, that it was not the intention that this act should remain on the statute book for all time. It was passed to meet an emergent condition which existed, a condition which to some extent has cleared up since that time. I am going to ask the minister to consider very carefully the situation, to review the statistics for the past year and to decide whether in his opinion and in the opinion of the government the time has not come when the operation of the act should be limited to the applications that are now on file. I should judge that it would take a year or so to clear those up. The minister might also consider whether it would not be wise to have the act repealed on this basis in certain of the provinces and allow it to remain in force in other provinces if that is deemed advisable.

Mr. DUNNING: Would my hon. friend permit a question there? That is a very interesting suggestion. As a lawyer how would he regard that suggestion from the constitutional point of view?

Mr. STEWART: I should not think there would be any real difficulty, because the act was brought into force in different parts of Canada at different times. I should think legislation might be introduced that would terminate the operation of the act, we will say, in the provinces of Ontario and Quebec, when the applications now pending before the boards of review in those provinces have been dealt with, and allow it to go on in other parts of the country, if that is thought necessary.

Mr. DUNNING: Perhaps my hon. friend would be good enough to look into that phase of it.

Mr. STEWART: I shall be glad to do so, but it is not my responsibility to decide as to that. I am making these suggestions because a number of farmers have told me that they believe the operation of the act, while beneficial and useful, in the province of Ontario has practically reached the limit of its usefulness, and that in their opinion it is standing in the way of their securing new loans. Not only do they advocate its repeal for that reason; at the same time they suggest the repeal of provincial moratorium laws along the same lines. I admit that it is a complicated and difficult subject, that conditions are not the same in all the provinces, and I am asking the minister to take the matter into consideration in the light of the circumstances. I know he must have a substantial body of representation asking for action along the lines I have indicated.

Mr. DUNNING: Every day since coming into office. on that question.

Mr. STEWART: And possibly some in the other direction also.

Mr. DUNNING: Yes, in both directions.

Mr. STEWART: The statistics are interesting in some of the provinces, as to the total cost of the administration of the act.

Mr. DUNNING: If my hon. friend will permit me, I was serious in asking him to consider the constitutional aspects of the suggestion he made, because I value his judgment. The act was sustained, I take it, on the ground that it fell within the federal power with respect to bankruptcy, and I am suggesting a careful examination of his suggestion in the light of that fact and of that judgment. I am not offering an opinion. I know my right hon. friend the leader of the opposition, will complain if I again state that I am not a lawyer. He will say that is perfectly obvious. Perhaps it is, but we are all anxious to do the best we can with this very difficult problem, and this is one of many suggestions that have been advanced.

Mr. BENNETT: It is not obvious; it is apparent.

Mr. STEWART: I think the minister has been studying law recently, and perhaps in a few years he will be a fairly good lawyer.

The other matter to which I should like to refer is not dealt with in the speech from the throne. It is a matter not only of local concern to the constituency which I represent; it is of importance to the whole dominion. As many members of the house are aware there is in course of construction at Ivy Lea an international bridge—

Mr. SPEAKER: Order. I am sorry, but the hon. gentleman has exhausted his time, unless he has the consent of the house to continue.

Some hon. MEMBERS: Go on.

Mr. DUNNING: It would be too bad to cut the hon. member off in the middle of Ivy Lea.

Mr. STEWART: There is in course of construction an international bridge crossing the St. Lawrence through the Thousand islands. This crossing is unique in that from one bridgehead to the other, including the connecting roadways, it traverses a distance of about six miles. In building the bridge they have crossed the channels where they are narrow and, where suitable, use of the islands, has been made. A request has developed for the establishment of a national park at the bridgehead in Canada and another at the bridgehead in the United States. If this matter is dealt with properly by the federal government it will work to the great advantage of the dominion. I am told that about one-third of the population of Canada and about one-fourth that of the United States is within three hundred miles of the bridgeheads. I need not emphasize the value of the tourist trade, and I must point out that we have here an opportunity of attracting to Canada, over this unique route, a large volume of the tourist traffic from the densely populated areas I have indicated. I do not propose to develop the matter further than to ask the government to give it careful consideration. The idea involves the acquiring of a property known as Hill island. This property is used for farming purposes. It is not extensive or of great value, but if acquired it would prevent the establishment of cheap hot-dog stands, and would tend towards the preservation of the natural beauty of the scenery among the Thousand islands, which form one of the wonders of the world equal in attraction to the falls at Niagara. I have communicated with the Minister of Mines and Resources (Mr. Crerar) and shall not discuss the matter further at this time.

For the reasons given by my leader in the very able and interesting speech he delivered in this debate, I propose to vote for the amendment moved by him and which I seconded.

Mr. J. G. ROSS (Moose Jaw): Mr. Speaker, I wish first of all to congratulate the mover and seconder of the address in reply to the speech from the throne upon their able first presentations in this chamber.

May I take this opportunity to thank the government of Canada for the efficient manner in which they handled the distressed conditions in the drought area of western Canada. I want, too, to thank all the people of Canada for the great contribution they made to that part of the country at that distressing time. Had they known the exact situation of the people in the drought areas, and had they been able to see what I saw during the summer and fall, they would have realized the position in which those unfortunate people found themselves, and would feel amply repaid for what they have done. It is unfortunate that those who made the contribution were not privileged to hear the expressions of appreciation I have heard of the help given to the drought area by citizens of other parts of the dominion. I would hope that in any national calamity of the future, that which is now the drought area may be able to do a similar kindness for any other part of Canada which finds itself in a position as distressing as that of the people in the drought area during the past year.

During the course of my observations I intend to touch upon only one subject, because I believe it is far more important than any other to the people of the three western provinces. I want it clearly understood however that I am not directing my remarks to any one section of Canada, but that I am criticizing the people in every section of the dominion who are taking advantage of a certain situation.

In the development of any country the purpose is generally to arrange matters so that the people within that country may have available to them all the advantages which they should enjoy, so that none will be oppressed and all may have a more abundant life. As I understand it, democracies are formed so that there may be majority rule, at the same time safeguarding minority rights, with the understanding that the government is to give equal opportunity to all and special privileges to none. Democracy abhors regimentation; it abhors privileges or special favours for the few as against the many. It glories in freedom of speech, freedom of religion, freedom for all the people to carry on their natural vocations and to have the fullest and freest life possible within that democracy.

Do we, who call ourselves a democracy, enjoy these privileges? Have we just laws, fairly administered, which carry out the spirit and the purpose of confederation, or has the greed of some, through the formation of pressure groups, by the use of propaganda, by the stirring up of racial and religious hatred and at times by the threat of loss of employment, forced upon many the rule of the few; has that greed given special privileges to some at the expense of the many? I contend that has been done in Canada, and the agency which more than any other has been responsible for bringing about this condidition, has been what is known as the protective tariff system.

When confederation was formed customs rights were turned over by the colonies to the dominion for the purpose of raising revenue. These rights have now become a trade control instrument, an instrument employed to regiment the people, to force them to purchase only in certain places and from certain people at prices set by those people for their benefit. The protective tariff is a tax upon the consumer of this country; it is a disguised form of subsidy to the industries of Canada. I believe it is against the spirit of constitutional government and parliamentary procedure.

When a tax is levied in this country, first of all it must be sponsored in the House of Commons by a responsible minister of the crown. It must be introduced in open parliament where all the elected representatives of the people may have the right to know the amount and the extent of the tax before the executive is given authority to levy. Every tax imposed should have due regard to the amount of revenue that is necessary for his majesty's government. It should be levied in such a way as to provide the greatest amount of revenue at the least possible cost to the people. It should be levied in such a way as not to discriminate between the subjects of his majesty.

The customs tariff bills levying taxes upon imports invariably are brought down in accordance with parliamentary usage by a responsible minister of the crown. The direct effect of the protective tariff is to levy upon the people of Canada an altogether different tax from that levied by the customs tariff acts. Customs tariff acts levy a tax upon imports, but the effect of the protective tariff is to levy a tax upon goods manufactured and sold in Canada. This latter tax is not levied by parliament. It is not levied by means of a measure sponsored by a responsible minister; it is not levied having regard to the need of public revenue for the carrying on of government, it is levied by the executives of the manufacturing companies in this country who have no responsibility whatever to the consumers upon whom the tax is levied.

In effect the protective tariff is a subsidy, and it is open to even more serious objection as being an evasion of the provisions of sections 53 and 54 of the British North America Act. If this tax in the form of increased prices to the consumer was properly levied and was to be paid over to the manufacturers as a subsidy, clearly it would fall within the provisions of section 54 of the British North America Act, and could not be levied without being first recommended to the house by message of the governor general and brought down by a responsible minister who would give all information with regard to the amount of the subsidy and its purpose.

Every year subsidies are approved by this parliament. We grant subsidies to Canadian steamship companies because we believe them to be necessary in order that a strong merchant marine may be built up for the benefit of national trade. Subsidies of this kind are brought down in the way I have mentioned. Contrast with that the procedure of granting subsidies under the protective tariff system. A customs bill is introduced in parliament by a responsible minister, the stated

object of the bill being to levy a tax on imports, ostensibly to supply needed revenue for the public requirements. Although it is not so stated in the bill, it is understood that the main object is to grant a subsidy to private industry in Canada. This subsidy is to come not from the treasury of Canada, but from the consuming public. It is to be paid direct by them to the manufacturer of goods. These bills are passed every year without the members of the House of Commons or the public generally having any knowledge as to how great the subsidy is to be. I claim that the levying of taxes in this way is against the spirit of constitutional government and parliamentary practice as carried out in this house.

Many speeches have been made both in and out of this house to show the effect of this protective tariff tax upon the people. Reports have been made by experts to show the average tariff imposed, but it is hard to get the total cost of this tax to the people of Canada. We all know that the average rate of tariff is about 25 or 26 per cent, and that the sales tax is eight per cent. In 1936 the sales tax provided $122,000,000 in revenue, whereas the tariff, averaging 26 per cent, provided only $83,000,000.

Mr. DUNNING: It is not 26 per cent.

Mr. ROSS (Moose Jaw): What is it, 25 per cent?

Mr. DUNNING: It is not quite 13 per cent.

Mr. ROSS (Moose Jaw): You are taking in all the free items.

Mr. DUNNING: Of course.

Mr. ROSS (Moose Jaw): The average tariff I am referring to is that given by the Minister of Labour (Mr. Rogers) to the Jones commission. That was the average tariff on dutiable goods.

Mr. DUNNING: For what year?

Mr. ROSS (Moose Jaw): 1931. The Minister of Labour made a report to the Jones commission sitting in Nova Scotia which showed that the average ad valorem duty at that time was 26 per cent. He has been criticized for giving that figure. It has been said that the figure was too high, but my criticism is that it was much too low.

The consumer in Canada is more affected by the tariff on finished articles than by anything else. He is more affected by the tariff on goods manufactured or produced in Canada, and after all that is the high tariff. The 26 per cent that the minister used at that time was got by taking the average tariff on all imported goods, many of which were imported by manufacturers for further processing, and many of which were lower tariff goods because they were not competing with goods produced in Canada.

Again, in the very high tariff brackets, there is much less volume of trade on account of the height of the tariff. That again makes a difference in your average. Of course, if you had a tariff that was altogether prohibitive, it would not enter into the picture at all. Therefore I say that the rate of 26 per cent as used at that time by the Minister of Labour was a low, and not a high, figure. It is therefore fair to say that the people of this country paid at that time an average of 26 per cent more, by reason of the tariff, for the goods that they purchased. The figure may be lower now, and for the purposes of my argument I will take the figure of 20 per cent, instead of 25 per cent. Then what do we find? The salaried people, the people in the primary industries, and the wage earners of this country are paying 20 per cent more for the goods that they purchase than they would pay if it were not for that protective system.

Mr. EDWARDS: Where would they get the money to pay for them?

Mr. McLEAN (Melfort): You do not pay for goods with money.

Mr. ROSS (Moose Jaw): I am not going to be diverted from my argument, but I shall be glad to answer any questions my hon. friend wishes to ask after I have finished my speech.

Take the figure of 20 per cent as the average tariff. What does that mean? It means for the farmer growing wheat on the western plains, which gives him the money to buy the goods he needs to purchase, that he has to give one load out of every five in order to bolster up some of the secondary industries of this country through the protective tariff system; or one head of cattle out of every five, one head of sheep, one head of hogs out of every five. The farmer's wife, when she gathers five dozen eggs, turns over one dozen to the protectionists, and one pound of butter out of every five that she churns. The fisherman on our coasts or on the lakes is in the same position. He makes a donation of one-fifth of his catch to carry the protected industries in this country. The logger and the lumberman can figure that every fifth blow of his axe, or every fifth cut

of his saw, is his contribution to the protected industries. The miner working down in the dark can ponder the fact that every fifth ton of coal he raises is his contribution to Canadian protected industries. It matters not where you go in Canada, you will find that this protective system is taking one-fifth from the doctor, from the lawyer, from the street-car conductor, from the bus driver, from the stenographer, and from every wage earner. That is what they have to pay to carry the secondary industries that are supported by the protective tariff system.

It is said that the tariff is the mother of trusts and monopolies, and I believe that is true. You will find that our people say it is very difficult to deal with monopolies. It is. But at least we can stop protecting them and giving them more control.

When the Minister of Finance (Mr. Dunning) next makes a submission to the tariff board, let me suggest that he ask them to find out at what rate of duty the government can raise the greatest amount of money for their purposes. I do not believe that a submission on that basis has ever been made to the tariff board. Let the tariff board determine the amount of money that it is costing the people of Canada to raise the $83,000,000 that was received in tariff taxation last year. Let the tariff board find out the exact extent of the cost to the people of Canada of carrying uneconomic secondary industries. They can do it, and we ought to have some figures on these questions at this time. The protective tariff has fostered in this country secondary industries many of which are inefficient and unnatural to our economy, and this has placed a heavy burden upon our primary producers.

In Canada to-day we have four geographical divisions: the maritime provinces, comprising Prince Edward Island, Nova Scotia and New Brunswick; Ontario and Quebec, which we in the west ordinarily call eastern Canada; the three prairie provinces, which are ordinarily called western Canada, and British Columbia.

That part of Canada lying east of the great lakes, this central part, has fine agricultural land; it has in large part a wonderful climate; it has great waterpowers for the development of electrical energy; it has lakes, canals and rivers, furnishing cheap transportation for imports and exports to and from world markets.

That part of Canada comprising the three prairie provinces extending from the eastern boundary of Manitoba to the western boundary of Alberta, is a large plain or prairie country admirably suited to the raising of small grains and live stock. We have there, as you have in eastern Canada, lumbering, fishing, mining and agriculture as our primary industries. But we have no lakes or rivers or canals for cheap transportation. We have little electrical energy. We have a severe climate, and we can grow only some of the things that we need to use. Our costs of transportation are high and our rail hauls are long. In western Canada we can manufacture or process only those natural products which it is cheaper to process there than to carry an added weight of raw material to a more favourable position for manufacturing, because we have to travel over such long and costly transportation routes. Therefore there is little chance of building in the three prairie provinces any great manufacturing industry. A protective tariff can help them in no way. On the contrary, it increases the cost of production of every one of our primary industries. In western Canada to-day we have come to this position, that we must cut our production costs or quit. We cannot go on paying an added amount of twenty or twenty-five per cent, for which we get nothing in return, and be able to make a living, much less a profit.

I came to this house in 1925, almost thirteen years ago. I have consistently and persistently endeavoured to have tariffs in this country lowered. I have finally come to the conclusion that no matter what party is in power we can never get a tariff that will be satisfactory both to the three prairie provinces and to the rest of Canada. If it is low enough to suit the prairie provinces it will be too low for the rest of Canada; if it is high enough to suit the rest of Canada it will be too high for us to be able to carry on in our western country. Having come to this conclusion, let me say that I am just as sincere now in advocating what I am about to advocate as I have been with regard to the tariff in past years. I do not believe that we in the west can carry on under the present protective tariff system. I do not believe we have the right to place obstacles in the way of any other part of this country. If the people elsewhere in Canada believe that it is best for their economy to have a protective tariff system, by all means let them have it. I say you have a right to your opinion, you have a right to that policy, but for your own part of the country, not for mine. If we have come to the place where advantages to one part of Canada become a great disadvantage to another part, there must be some way of straightening out that situation. Nobody here will deny that, as a free trade area, western Canada would develop greatly, it would prosper and grow, and would thereby help to develop the whole dominion. I admit we

have no right to try to prevent the rest of Canada from having a protective tariff provided they think that that is best for their economy, but I am just as emphatic in saying that they have no right to place in the way of our part of the country obstacles on account of which we cannot carry on and prosper.

There has been in Canada a lot of talk of secession. In parts, there has been more thought than talk. The protective tariff has driven a wedge into confederation. I do not know how long it will take, but sooner or later a split will come. I am not advocating it. I am endeavouring to save Canada from it. Is it just or fair that parts of this dominion that are endowed by providence with a much more equable climate, that can raise many fruits and vegetables which in our severe climate cannot be grown at all, should, endowed as they are with this boon, ask us to contribute further in their behalf? Is it just or fair that the people occupying a territory within the dominion where transportation costs are low, where electrical energy can be freely developed, where there are many natural advantages, should be allowed to take a heavy tribute from their less fortunate brothers in this confederation?

I repeat that the protective tariff system placed upon this country by parliament has been a great detriment to the three prairie provinces. They cannot carry on under a system such as we have to-day; and here and now I say, for the people of western Canada, that we demand fair play within this confederation. We are a British people, and no British people have long remained inside a country and stood for what we are standing for to-day. We demand justice. We demand a free trade area in the three western provinces of Canada.

Mrs. MARTHA LOUISE BLACK (Yukon): While congratulating the hon. members who moved and seconded the address in reply to the speech from the throne, I have wondered if they realized the compliment that their government has paid them. It is somewhat over thirty-five years ago that a former hon. member of this house told me he had been selected by the then Mr. Wilfrid Laurier, leader of the Liberal party, to move the address in reply to the speech from the throne. This young man, afterwards a commissioner in the Yukon territory, was at that time only twenty-one years of age. It was a privilege and a compliment that he will pass down to his children and grandchildren.

I have listened with a great deal of attention to the previous speaker. The hon. member lived in the Yukon in the very early years of his life. I thought, as I listened to his statement on the conditions of the middle prairie provinces, that he was either very brave or very foolhardy. Time will tell which.

We in the Yukon have perhaps fewer problems than the majority of people in Canada. We have fewer desires; our main desire, our chief wish, is to be let alone. That we seem to have gained in some small measure. We would ask the government, however, for consideration of old age pensions. Men and women living in the Yukon territory work for their living or they starve; as long as they are able to work they work. Young and old alike, they feel that if they have the strength and ability they must work rather than accept help from the government or from individuals. But when old age comes on or ill health strikes them, then they do ask that the government help them. Twenty dollars a month is given in the Yukon. It is given more in the form of a dole than as an old age pension, and our people there who are obliged to accept it find fault with the way in which it is passed out. There are many Yukoners who have lived there since 1896, 1897 and 1898, who are now too old or too poor in health to work. They would like to go to the coast to live. That is impossible; no matter how long they have lived in the Yukon or how hard they may have worked or no matter how diligently they may have helped in building up the mining industry in that country, if they leave the Yukon the government does not give them that paltry sum of $20 a month. While I realize that the Minister of Finance (Mr. Dunning) has burdens which he sometimes thinks are almost too heavy to bear, I should like him, if he has an odd moment to spare now and then, to consider what $20 a month would mean to the Yukoners who would like to finish their days on the coast. The increase in population is very small. We had from March 1936 to March 1937 eighty-eight deaths, largely of men and a few women who had been in the Yukon since the very early days, who had worked there and lived and died in the country they had grown to love.

Recently there has been considerable talk about air mail in the north. I heard a Vancouver man, a friend of the Minister of National Defence (Mr. Mackenzie), say that Vancouver had finally awakened and emerged from the tomb when the people there asked that an air mail service be established from Vancouver to the north. It was only a few short days ago that the first trip was made from Vancouver into Dawson, Yukon. The

ship was piloted by W. S. Holland, a very well known pilot. The only passenger was the president of Northern Airways who owned the plane—George Simmons. On the way to the Yukon they stopped at Ashcroft, Burns Lake, Telegraph Creek, Atlin, Carcross, Mayo and finally Dawson. The trip was made with these stop-overs, in winter weather, in wind and storm, in less than forty-eight hours.

This is the logical air route from Vancouver and the coast cities; for over ninety per cent of the mail and freight going into the Yukon goes via Vancouver. Why not send it by that route as far as we possibly can to help to build up the coast city of Vancouver? When men or women, in the fall, wish for a surcease from the cold weather, they wish to spend their winter holidays either in Vancouver or in Victoria or some other city on the coast; and when one reads in the newspapers of the temperatures in the prairie provinces one wonders—"Coming from the Yukon, why go to Edmonton?"

The tourist traffic is a matter of vital importance to us. The local government does comparatively little to build it up, but what it can do, it does. The one transportation company there does its very best in every possible way, but it is hampered every season by changing river conditions. Every time the ice goes out, every time there is high water, there are new river beds both in the Yukon and in the Stewart and the Mayo rivers. It is impossible for new pilots to come in and carry on as the old pilots have done. A year ago last summer we lost two of the finest vessels in the fleet. This summer we were fortunate, both in regard to steamers and in the air. In fact, not one of the three concerns in the Yukon, owning the fleet of ships we have now, has ever suffered a fatal accident, which I think is probably a record for most enterprises of this kind.

I have seen in the newspapers recently, and have heard considerable talk, about the increase in the radio licence fee. This pronouncement of mine may not be very favourably received by either friends or enemies, but I do not think that $2.50 is too much to ask.

Some hon. MEMBERS: Hear, hear.

Mrs. BLACK: I would rather have the applause come from this side, but I think I hear someone say I won't get it. However, we in the north want better music; we want better broadcasts; and if the labourer is worthy of his hire, surely we can afford to pay that $2.50, with all due apologies to others.

[Mrs. Black.]

The territory of Alaska is beating us in one respect; I refer to the care of game. At present we have no bounty on wolves, nor have we had for a number of years past. The territory of Alaska has a large bounty. We want all the tourist trade we can get, not only the ordinary visitor who may come in—and we had over 4,000 last year—but the big game hunter as well. They are the people who bring the money. The big game hunter coming into the Yukon and going into the Kluane and other districts never spends less than from $5,000 to $10,000, and that money is largely spent locally. We feel, therefore, that not only the local government but conservation committees and the federal government should consider ways and means of protecting our game by paying bounties both on wolves, which are a horrible menace to larger game, and coyotes, which are a menace to birds. Only three or four years ago bands of wolves attacked great herds of caribou, and my husband saw hundreds of caribou lying dead on the ground. They had been killed by wolves. The wolves do not eat the carcass; they sever the jugular vein, drink the blood, eat the entrails, and the carcass is left to rot. Our game will not last forever and we should endeavour to protect it.

Speaking of game naturally brings me to the fisheries and the fur trade. When I went to that country thirty-five or forty years ago I saw small creeks when the salmon were coming up the Yukon river to spawn, and I saw these creek beds so filled with salmon that one could almost walk across. Now, however, whether it is owing to the wheels and the traps that are used by the Indians on the lower river, or whether it is due to the canneries that are operated in the open water by the Japanese, our fisheries have gone down rapidly. A few years ago the value of our production reached about $70,000, while in 1936 it amounted to only $14,000. That is bad for the country and bad for the natives, who depend upon the wild game and fish for their food.

There is some talk, of course, among far westerners in regard to the Japanese question. It is a matter that must be approached very delicately but, as I have read my history, Holland, followed by Portugal, Spain, France, Great Britain and finally the United States, went into the orient following the cannon. They did not want us, and now I am just wondering if we are not reaping what we have sown. Perhaps it is not so easy for us to

think that we have to suffer for what our forefathers did, but if we have that feeling we had better think of what those who are coming after us may have to suffer because of our actions in many ways. I believe it was a member of the British House of Commons who, while making a speech, said they must do a certain thing for the sake of posterity. He was immediately followed by another member who threw up his hands and asked, "After all, what has posterity ever done for us?"

In the north our exports consist principally of minerals and some furs. The Yukon produces 1·8 per cent of the fur pelts that are placed on the market in Canada, so that our production of fur does not amount to very much. We do send out gold, silver, lead, coal and a very small amount of petroleum. The present high price of gold, silver and lead, is what has saved the Yukon mines. The Yukon Consolidated Company in the Dawson district employs about six hundred men. The Treadwell Mining Company, in the Mayo district, employs perhaps four hundred men. If those mines were closed down the Yukon would be almost on its uppers. Mining is carried on now in mines that had been abandoned because of the low price of gold. A few years ago $16 was the average price received, but now with gold at over $30 it is possible to work property that could not be operated a few years ago.

I should like to congratulate the Minister of Finance (Mr. Dunning), if I may, on the new silver coins. The ten cent piece and the twenty-five cent piece, or the two-bit piece, as we call it in the north, are artistic and beautiful, but I have yet to see a coronation silver dollar. I have asked for one at five different banks and the answer has been, "We have none." We all know that British Columbia and the Yukon depend on silver production to a large extent. How easy it would be to help those miners in some degree. I do not know that it would be possible for a government to order a bank to give so many silver dollars when a person gets a certain amount of money, but if that were possible it would help us. If we were patriotic enough to think not only of the farmers of whom the hon. member for Moose Jaw (Mr. Ross) spoke, but also of those silver miners, when we go to a bank to cash a cheque for $25 we might ask for five silver dollars. I believe our silver dollars are not large enough to be called cart-wheels. They are not awkward to carry, at least so I have been told, though as I say I have yet to see a coronation silver dollar and—of course I was in the north—not until about five months after the jubilee did I see a jubilee silver dollar, when one was very kindly sent to me.

I see on the order paper a notice of motion by the Prime Minister (Mr. Mackenzie King) regarding the appointment of a deputy chairman of committees. I feel very keenly about this question. As many hon. members know, I was intimately associated with a former Speaker. His deputy was an invalid during the four years that he served. I have kept a diary for over forty years, so I am very sure of my ground when I make the statement that the deputy was not in his seat for more than twelve days during any one of those four sessions. The Speaker had to ask members of his party to take the chair, and there are many hon. gentlemen here who helped out that Speaker. It is a difficult task to sit in the chair and listen to the talk of 245 members, day in and day out. If I may be allowed to say so, my sympathy is always with the Speaker, especially when I am speaking, and I should like to see a deputy chairman appointed and paid, because the workman is always worthy of his hire.

Foreign goods entering the Yukon come directly through Vancouver. Every cent of customs and excise is paid in Vancouver, to the federal government. Last year $160,000 was paid into the federal treasury, through the port of Vancouver, on goods sent in to the Yukon. There is no telling how much duty was paid on goods coming from other parts of Canada, but in any case I think the Yukon has been a pretty fat plum for the province of British Columbia. The telegraph system in northern British Columbia has always been charged to the Yukon. That is not right; it should not be done. The Yukon has been a very happy hunting ground for that province. According to the Handbook of Canada for 1938, which contains a summary of the value of production in Canada according to provinces, the value of production of British Columbia is given as $187,087,995. There is a note at the bottom of that statement which says, "This includes the Yukon." The per capita net commodity production of Ontario for 1935 is given as almost $286; British Columbia produced about $250 for each citizen—and as I said before that includes the Yukon—while poor little old Alberta, whose hardships we have been hearing about for years, had a per capita net commodity production amounting to $203. I am rather losing my sympathy for those Alberta people. In 1935 the Yukon produced $1,263,567 in gold; $90,165 in silver; $7,250 in lead; $3,483

in coal; $25,575 in oil, and $230,070 in furs, making a total of $1,620,114. We have a population of less than 5,000 men, women and children, but for the purposes of computation I shall place the population at 5,000. If we divide $1,620,114 by 5,000 we have a per capita net production of $340. I do not think the Yukon has much to be ashamed of.

There is considerable shipping industry in the Yukon. There is this difference, however, that the money spent for the maintenance of lights and buoys in other places is not spent with us; the companies spend their own money.

I am sick and tired of the whispering I can hear with respect to the great expense the Yukon is to the federal government. If the truth were known, and if hon. members on both sides of the house would study the question, they would find that for years the Yukon has pap-fed the federal treasury. Of course there have been some injustices in the Yukon, owing to the change in the political complexion of parties in power. Those changes are to be expected. The Conservatives come in and harass the Liberals; the Liberals in turn come in and harass the Conservatives. That always happens. Perhaps I believe, as much as anybody else, that to the victor belongs the spoils. Possibly it is too bad that that is so, but until we sprout not our wings but our pin feathers, it will last.

I must say however that I do deprecate conditions in the Yukon which have arisen because of personal animosities. I do not like to speak of these things, because at my age I am not looking for trouble. I want life to be as pleasant and easy as it can be, not only for myself but for everyone else. But I firmly believe the time will come when those of us here and those in the government at home will reap as we sow. If we are unjust, if we are unchristian and dishonest, we will reap exactly as we sow.

Mr. J. C. LANDERYOU (Calgary East): Mr. Speaker, the speech from the throne contains reference to the coronation in the month of May of Their Majesties King George VI and Queen Elizabeth, an event of special significance to the nations of the British commonwealth. We find, too, in the speech from the throne a review of the progress made along certain lines during the past year. We are reminded that the royal commissions which have concluded their duties will submit their reports. It indicates what legislation will be brought down during the present session.

Then, the following paragraph appears:

> Cooperation of the provinces will be sought with a view to an amendment of the British North America Act, which would empower the parliament of Canada to enact forthwith a national scheme of unemployment insurance. My ministers hope the proposal may meet with early approval in order that unemployment insurance legislation may be enacted during the present session of parliament.

We are in favour of any legislation which will improve the economic conditions of the working man in Canada. We are in favour of legislation designed to give a greater measure of economic security to our working population. However, we will have to wait until the bill is brought down before we can arrive at a proper understanding of the government's proposals.

It must be pointed out that certain provinces of Canada are not prepared to relinquish any of their power to the federal parliament. There are forces in the country which are attempting to centralize power in the parliament of Canada. For a number of reasons we are absolutely opposed to this, because we believe if it is done grave disturbances would be the result and confederation itself would collapse. If power were centralized in the federal parliament we would have a few men forming a cabinet, with powers almost as great as those exercised by Mussolini and Hitler. True, a measure of control would be exercised by other hon. members, but it is well to remember and to consider the fact that more than sixty per cent of the voting strength in the house is controlled by members from Ontario and Quebec. In fact, Liberal members from those provinces outnumber the members of all parties from western Canada.

Practically all our great financial and industrial institutions have their headquarters in Quebec or Ontario. The interests of those provinces are not the same as those of the western or maritime provinces. Certain policies of trade and tariff have increased the prosperity of Ontario and Quebec to a greater extent and sometimes to the cost of other parts of Canada.

When engaged in an investigation in eastern Canada on the effects of tariff the Minister of Labour (Mr. Rogers) brought to light the fact that the enhancement of prices due to tariff costs in western Canada amounted in one year to approximately $124,000,000. The following table will serve as a comparison of the tariff costs and tariff benefits in the three western provinces:

	Tariff costs to the people	Tariff benefits to the people
Manitoba..	$29,185,740	$19,910,971
Saskatchewan. ..	29,288,285	3,275,850
Alberta.	27,909,396	8,211,148

While the west paid millions in tariff costs, Quebec gained $31,685,885 and Ontario gained $51,989,761. The west has suffered from the great disequilibrium in prices as between the manufactured goods of eastern Canada and the primary products of western Canada, as well as from high interest and freight rates.

As an instance of that, may I mention the farmers of western Canada who sell their wheat to the cereal plants in the east? We will suppose they sell at $1.20 per bushel, or two cents per pound. That wheat is puffed and sold back to the consumers, some of whom are the original producers in western Canada, at a price of 67 cents per pound. So we have the farmer who sold his wheat for two cents a pound buying it back for 67 cents,—two cents for the wheat and 65 cents for the puff. We know, too, that farmers have sold their hides for just enough to buy a pair of shoe laces. Whole carcasses have been sold, returning to the producer scarcely enough to buy a pair of shoes. We know, too, that the west has suffered from high freight and interest rates. It is a matter of common knowledge that agriculture, the great industry of the west, has suffered to a greater extent than the large industrial, commercial and particularly the financial institutions which have their headquarters in eastern Canada, principally in the provinces of Ontario and Quebec.

The province of Alberta has no member in the cabinet and no one acceptable to that province was appointed to the Rowell commission. In fact, the personnel of the commission was criticized by the leader of the Conservative party.

Little has been done by this parliament to enable the coal producers of western Canada to increase their markets, particularly in eastern Canada. It is felt that these injustices cannot be corrected by relinquishing any of the powers now possessed by the provinces.

The Minister of Justice (Mr. Lapointe) was reported in the press as having said during the recent by-election in Quebec that the Liberal party has always stood for the preservation of provincial autonomy. I was encouraged by his remarks. It is my opinion that the Minister of Justice recognizes the need of maintaining provincial autonomy if we are to avoid fascism or communism. The minister also expressed himself last year in the house as being opposed to fascism or communism; in fact he said he hated them both. I suggest to the Minister of Justice that if he hates communism and fascism he should do everything in his power to safeguard the autonomy and sovereignty of our provinces. The preservation of the democratic rights of our people can best be maintained by safeguarding the sovereign powers of the provinces.

The Minister of Justice is reported in Hansard of March 30, 1937, as saying he was surprised that an hon. member would suggest the disallowance of provincial legislation. Recently certain acts of the Alberta government were disallowed by the governor general in council. I ask this question of the minister: Why were the padlock laws of Quebec and the Ontario legislation dealing with power contracts not disallowed? Judgments pronounced by the supreme court and the privy council have clearly established the fact that the provinces have jurisdiction over social measures. The parliament of Canada maintain that they have jurisdiction over banks and the issuing of money.

We find many provinces, like hundreds of municipalities and hundreds of thousands of our private citizens, unable to support financially many of the social reforms that they may feel are necessary. The Liberal government assured the people of Canada before the last election that if they were elected money and credit would be issued to meet the needs of the people. If, in the opinion of the government, unemployment insurance is necessary and desirable, then let the government finance it by issuing money to the provinces under terms satisfactory to all. Why should the provinces be asked to give up any of their powers? We do not want a dictatorship in this country. In fact, I will go so far as to say that if the financial institutions of Ontario and Quebec will keep their hands out of the pockets of Alberta, that province will do all right.

The speech from the throne also contains the following paragraph:

> The government is convinced that, in seeking to cooperate with the United Kingdom and other countries in efforts to promote international trade, it is pursuing one of the most effective means of ensuring economic security and progress in Canada, and the betterment of conditions in other parts of the world.

However, in spite of the great increase in world trade, which has equalled in volume, if not in money value, some of Canada's best years; in spite of a favourable trade balance, we have failed to bring about the improvement in our economic conditions which many of us were hopeful would be brought about. Do we have to feed all the world before we ourselves can eat? We still have our great housing, unemployment and debt problems. For years the United States enjoyed an extensive foreign trade. In thirty years that country piled up favourable trade balances estimated to be in excess of $27,000,000,000.

The United States holds billions of dollars' worth of foreign bonds. Has all this brought prosperity to that country? Has all this solved their economic problem? The answer is definitely, no. We cannot hope to find in foreign trade alone the solution of our economic problems. Foreign trade is desirable, but let us concentrate our attention a little more on the development of our home markets.

We believe the solution of our problems lies in the proper ordering of our monetary system, which in our opinion should be adjusted to reflect facts and our real ability to produce and distribute the wealth of goods and services we can produce. We know that the west can consume more of the products of the east, such as fish, maple sugar, fruit, lumber, etc. The east could consume more of the products naturally produced in the west. But first the purchasing power of the people, both in the east and west, must be increased. Under our present monetary system, under present conditions, foreign trade will not provide the necessary purchasing power to achieve the results we desire. The trade balance of more than $300,000,000 benefits the great masses in Canada very little.

I repeat, the Liberal party promised monetary reform, but I find no mention of monetary reform in the speech from the throne. It is conspicuous by its absence. Surely the Liberal party is not of the opinion that the present monetary system is meeting the needs of the people. Surely it does not believe that our monetary system has been adjusted to reflect facts, to reflect our collective ability to produce and distribute goods and services. We still have a chronic shortage of purchasing power among the masses. We still have slums and we still have hundreds of thousands of unemployed and relief recipients. Our educational and health facilities are being undermined. Our great burden of private and public debt is still with us and in some cases increasing at an alarming rate. Surely the government intends to take further action to correct these ills.

We are pleased to see in the press the statement that the Minister of Pensions and National Health (Mr. Power) is to introduce legislation to assist the war veterans. I sincerely hope he brings in such legislation as will really solve the problems and difficulties facing this body of Canadian citizens.

The government points to increased revenues, but these, as the leader of the opposition (Mr. Bennett) pointed out, simply mean increased taxes. A man came to me a short while ago and told me he was receiving $12.50 a month with which to keep a family of five. That meant he was receiving eight cents per day per person. The Minister of Finance (Mr. Dunning) collects an eight per cent sales tax on many of the commodities this unfortunate man has to buy.

Since the revenue of the government is up, and particularly that of the Post Office Department, which shows a profit of more than $3,000,000, I sincerely hope the government will consider increasing the wages of the low paid postal employees. We feel that a reclassification of the mail men, those who deliver the mail, should be favourably considered by the government. I shall have more to say to the minister on this matter later on.

I sincerely hope that the charges of political corruption levelled at the Liberal government by the leader of the opposition will be cleared up, because charges of this sort have a tendency to break down the people's faith in our democratic institutions.

Mr. T. A. THOMPSON (Lanark): Mr. Speaker, the speech from the throne, now before us for consideration, is a remarkable document. It gives to the members of the house no definite idea of the legislation they will be called upon to consider. There was a time in this country when the speech from the throne gave to the house and the country a definite intimation of the legislation that would be presented during the session, but the document now before us appears to be skilfully drawn with the evident intention of mystifying the house as to the government's program. As I said, it gives to the house and the country no definite idea of the legislation that is going to be presented during the session. Indeed, so barren is the speech from the throne that it puts me in mind of the frame of a turkey that one might see on a platter the morning after Christmas—just a sorrowful skeleton. It would appear that the government has no policy for dealing with the questions of supreme importance that are facing the country and demanding the attention of parliament. I speak particularly of the problems of unemployment and relief. Why, in normal times, should we have the amount of unemployment that we have to-day, and the amount of relief that we have to provide? These are really better than normal times because the greater prosperity we are now enjoying has largely been brought about through the purchase by other countries of war materials of every description from Canada, and so we have normal times but our prosperity has been augmented by the purchase of these war materials.

The Prime Minister (Mr. Mackenzie King), in speaking the other day, seemed to take great satisfaction in comparing present conditions with those of the dark days of the depression, but to my mind his comparison was very unfair. We have in Canada a debt that is a veritable nightmare, and there seems to be no solution coming from the government for the reduction of that debt. We have also a railway problem which it will take the very best brains of this country to solve, and let me point out that this railway problem is the child of the Liberal party. It was the Liberal party that built the roads which afterwards became bankrupt and were taken over by the dominion. It was a Liberal government that brought to Canada Sir Henry Thornton at a salary of $75,000 a year, with expenses, which very often mounted to as much as his salary, and it was a Liberal government that permitted him to go on the wildest spending spree that ever was known in any civilized country. During his term of office as president of the Canadian National he added to the debt of the railway $460,000,000, and almost ruined it financially; and not only did he almost financially ruin that road but he did a great deal of injury financially to the Canadian Pacific Railway, because they thought they had to keep up with the Joneses. During Sir Henry Thornton's presidency, money was spent lavishly, in building palatial hotels the like of which one would not see elsewhere on this continent, buying up branch railways, building ships, creating great parks. Money was spent as if it could be gathered off the trees by the roadside.

We have also a housing problem in this country. I have no objection to the government building houses for poor people, but I would point out that an abundance of money is lying idle in our banks to-day, drawing one and a half per cent, money which people would be only too glad to invest in the building of homes and houses throughout Canada if only a man could build a house, pay the taxes on it, and then rent it and make a profit. But he cannot do that to-day. Neither can he build a home and sell it for what it would cost to build. That is why we are short of homes.

How is it that the governments are getting the easy money they are getting today? They are getting it because the people of this country have lost confidence; they have no longer a sense of security in Canada, and they are afraid to put their money into agriculture or industry. They leave it in the bank, drawing one and a half cents on the dollar, and the government comes along and gives two or three cents on the dollar for the use of it. But if our people had confidence in this country the government would not be getting money so easily; our people would be building homes, and industry and agriculture woud not lack for money as they are doing today.

We have in these days provincial unrest such as we have not had since confederation. While the government is numerically strong, it would appear to me that it is morally too weak to grapple with the serious problems which confront Canada at the present time; it appears to be allied with the big interests and the money barons, and neglects the farmers and the working people, and it is doing nothing to better the condition of the average citizen.

The fathers of confederation gathered together the provinces on the northern half of this continent and formed them into a federation known as the Dominion of Canada. They had a vision of building up this country into a great nation that would be the pride of the British Empire, building it up from the French and British stock that was here, representing two of the finest civilizations in the world. They looked forward to a united, happy people, to Canada becoming a great nation, with a strong central government. One of the powers that was given by the fathers of confederation to the central government was the power, under the British North America Act, to disallow any provincial legislation if the parliament of Canada felt that it was not in the best interests of the country as a whole. But what do we see happening now? This "happy family" of provincial and federal Liberal governments seems to have brought about such unrest and distress and disquietude from one end of the dominion to the other, that the very foundations of confederation and of our democracy are being shaken. What did we see in Ontario not very long ago? We saw the government of that province repudiating their solemn contracts. But that was not bad enough, for in repudiating the contracts they robbed thousands of investors of the money they had invested in power bonds. That would have been bad enough, but after robbing these people of their rights—for they brought these securities because the seal of the province of Ontario was attached to them—the Ontario government passed a law prohibiting the owners from appealing to the courts for justice. We in this country are proud of the fact that the poorest man in it, as well as the wealthiest, can appeal to an impartial court

and get justice. Where was the dominion government, which had authority to disallow such an act as that? Here were citizens robbed of their property and denied the right to appeal to the courts for redress.

Then in Quebec they have passed a statute; I do not know what it is but I am told it is a padlock law, and from what I can learn about it, in that province a man's home is no longer his castle. Under British institutions a man's home is sacred to him; no officer of any government has the right to go to his hearth and take away the literature he is reading. Action of that kind is an infringement of the liberty of the British subject. I ask, why was nothing done about that?

We come to Alberta. We find that that province passed certain laws which the federal government felt were not in the interests of the people, so immediately they disallowed those laws. I am not finding any fault with the disallowance of them; in fact I rather agree they should be disallowed. But the point I want to make is, why was Alberta treated one way and Ontario and Quebec another way? These are the things which are causing distrust and dissatisfaction in this country. If we want to preserve our democracy we must have a strong central government that will not shirk its responsibilities.

It would appear that the present government is staking its very existence on international trade and the export market, to the utter neglect of our home industries and our home market. In this connection I should like to point out that at the last session several hon. members called the attention of the government to the fact that a serious menace to our domestic dairy industry had arisen because of the importation of vegetable oils. Some years ago parliament deemed it necessary and proper to forbid the importation and sale of oleomargarine, because it was coming into competition with butter and lard. Today we are faced with a much worse menace in the sale of domestic shortening made out of these vegetable oils that are shipped in. In 1933, 81,000,000 pounds of vegetable oil were brought into Canada; by 1936 the amount had increased to 195,000,000 pounds. In 1932, 61,000,000 pounds of shortening manufactured from these oils were sold in Canada, and in 1936 the amount had risen to 103,000,000 pounds. In eastern Canada the dairy industry is what wheat growing is to the west—though dairying is now being followed in western Canada as well—it is our staple business. Looking over the government returns, I find that in each of the last ten years the value of the dairy products of the dominion exceeded by some millions of dollars the value of the wheat produced. We have a very large industry to protect. Now this vegetable oil is brought from tropical countries where native labour is very cheap; it is landed at a few cents a pound, and is refined and manufactured here to the immense profit of a few large concerns but to the detriment of the producers of our butter and other animal fats. The United States impose a duty of 3½ cents a pound against animal fats imported from Canada, and they levy the same duty against vegetable oils brought into the United States. So while our market is a dumping ground for these oils, our animal fats are excluded from the United States.

I listened this afternoon with great interest to the hon. member for Moose Jaw (Mr. Ross). He made a very clear statement, and it was a pleasure to listen to him, but I cannot agree with his arguments. I believe that if we followed the policy he enunciated we might as well all pack our bags and leave this country, because industry, to a larger extent than agriculture, must take up the slack of unemployment. Industry and agriculture must work hand in hand. The farmer buys the product of the factory, and the men and women engaged in our industrial life represent the best market that our farmers have for their produce. I repeat that industry and agriculture are partners in the development of this dominion, the one supplying markets for the other.

I think all hon. members will agree with me that it is the first duty of any householder to see that those dependent upon him are housed, clothed and fed. Likewise it is the duty of any country to feed and clothe its citizens as far as lies in its power and to buy nothing outside if it can be profitably produced at home. But what are we doing? In Canada to-day we are producing surpluses of every foodstuff that can be profitably grown in this country. What about clothing ourselves? Fifty per cent of our people are wearing garments that are imported from a foreign country where the standard of living and the scale of wages are far below those enjoyed by Canadian workmen. We shall never have prosperity until we learn to clothe ourselves in the same way that we have learned to feed ourselves. I have never worked a day off my farm, and it is my experience that the man who is a success as a farmer buys nothing that he can produce

himself. If he can produce an article he should produce it, and not buy his eggs, butter, or cheese elsewhere. The same policy must be adopted by the country as a whole so far as clothing ourselves is concerned. By so doing we shall build up a wonderful market for our agriculturists. The present government's tariff tinkering has in many instances slowed up our factories. I know of several of them to-day where the hands are working on short time because such great quantities of goods have been dumped into Canada from other countries.

A great deal has been said about spending public money in order to produce prosperity. That cannot be done. There was an example of that sort of thing in the country to the south of us, where billions have been spent; and they are worse off to-day than when they started. You might as well try to pull yourself out of the mire by tugging at your bootstraps as try to bring about prosperity by spending public money. When the money is gone, where are you? What we want to do is to build up agriculture and industry and give our people work. That, and nothing else, will bring prosperity. A great deal of the prosperity we enjoy to-day is due—and it is rather a sad reflection—to the purchase of war materials.

I want to say a word about by-elections. The Prime Minister seemed to find great satisfaction in declaring to the house that the government had carried practically all these by-elections. Well, if the reports that come from the constituencies where the by-elections were held can be verified by facts, it was no credit to the government that their representatives were returned, because the reports go to show that bribery and corruption unprecedented in Canada were carried on in these ridings. The right hon. gentleman twitted the Conservative party for losing these by-elections. We are not numerically strong on this side of the house, but we are here honestly; and the leader of the Conservative party was never forced to stand up in the house, after revelations had been made by a commission, and say: This has put my party in the valley of humiliation. We would, therefore, just as soon be numerically weak as have strength of that kind. One man said the other day, "Oh, your party is dead." I replied, "It may be dead, but Conservatives are very staunch Christians and they believe that there will be a glorious resurrection."

Mr. FINN: On the last day.

Mr. THOMPSON: Yes, the last day of this government.

Mr. FINN: Which will be years hence.

Mr. THOMPSON: The Canadian people are alarmed at the prospect of some change being made in connection with the imperial preference which we enjoy at the present time. Why should Canada make any great effort to get markets in the United States? I am willing to sell to people in the United States or to anyone else who will buy from me at a fair price; but there is not one agricultural product that we are exporting to-day to the United States of which they have not a surplus that they are exporting. Furthermore, our markets there have no stability; they depend upon the whim of government. When the government changes, the tariff policy changes. We have had some experience in this regard with the American people. There is no stability about any agreement made with the United States so far as trade arrangements are concerned. Take the British market, on the other hand. The British people are obliged yearly to buy hundreds of millions of dollars' worth of foodstuffs which they cannot possibly produce. That is where the stable market is; that is the market we should encourage.

Let us for a moment look at the British preference. It was first brought to the attention of the British people by the late Joseph Chamberlain, one of the brightest minds of his day, and it had been the dream of every Prime Minister of Canada from confederation down to get some preference in that market. But they failed. It was a herculean task to get Great Britain, whose proud boast it had been that her ports were all open to the commerce of the world, to break away from her old moorings and to declare a tariff against other countries. It was a tremendous task, but it was accomplished by the present leader of the opposition, (Mr. Bennett) then Prime Minister of Canada, at the Ottawa conference in 1932. At the conclusion of that conference it was agreed that the delegates should go back to their respective parliaments and ask them to endorse the agreement, and every government in the empire endorsed it at once, except Canada. They knew they had received what they had been longing for; they knew it was a good bargain. But what was the spectacle in Canada? The present Prime Minister, (Mr. Mackenzie King) then leader of the opposition, kept us here week after week denouncing that treaty and declaring that if he ever got into power he would repeal it. But it was made law in Canada by forcing a vote through the house, with every Liberal member, with the exception of one man, voting against it. That man will go down in history as the only Liberal of sound judgment of that day.

These British preferences have kept Canada solvent and her farmers from bankruptcy. Take one commodity, pork. When these preferences came into force pork was selling at from $3.75 to $4; at once it went up to $8, and the price has been hovering between $8 and $9, having been as high as $10. We have a preference of $1.50 on apples; we have a preference of six cents a bushel on wheat. The British Empire produces within its own borders everything that mankind requires. Why not build up within our own bounds a great nation, trading among ourselves, and buying outside only those things that we cannot produce? That is what will make this country prosperous.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

MAIN ESTIMATES, 1938-39

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1939, was presented by Hon. Charles A. Dunning (Minister of Finance), and read by Mr. Speaker to the house.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, at this time of course I cannot make the customary motion referring these estimates to the committee of supply, because that committee is not yet set up and cannot be set up until the debate on the address concludes. At the appropriate time I shall make the motion of reference. In the meantime, due to the fact that there is a complete change in the form of the estimates this year, I desire to ask the indulgence of the house so that I may make a brief statement with regard to the estimates in order that hon. members may have it before them in Hansard to-morrow morning when they are studying the estimates.

In the budget speech of last year I made an attempt to show the percentage distribution of our revenues and expenditures, but found it necessary to point out that the form of our estimates and appropriations made it impossible to achieve accuracy in such calculations. I then stated that before another year had passed I hoped to be able to introduce such changes in our procedure regarding estimates and accounts as would make it possible to determine more accurately the real costs of the various services of government.

I am glad to be able to announce to the house that the main estimates for 1938-39, which are now being tabled, are being presented in a new form, with what I believe is a greatly improved classification and with much greater detail. The purpose of the revision is to facilitate a greater control over expenditures and to present a clearer and truer picture of the operations of government.

The need for revision has been recognized for years, in that items in the estimates did not reflect the cost of services. In this respect they were actually misleading, because, with few exceptions, they were supplemented from civil government or other appropriation of a general character. Other defects included provision for numbers of distinct activities under one general item, and assembly of items under obsolete captions without relationship to existing departmental responsibility. The principal object of the revision is to give to parliament, by removal of these defects, a reasonably accurate estimate of the costs of functions, assembled under the departments responsible for administration.

Application of this principle involved rearrangement of votes and disappearance of the civil government and miscellaneous sections. It also involved selection of the distinct services or projects on which the taxpayer's money is spent and insertion of an item for each. As all expenses cannot be allocated on this basis, the remainder for the department or branch has been included under an item for administration of the department. As comparison with estimates of the previous year are always of first rate importance to parliament, these have been shown in each instance. The amount entered for 1937-38 is the sum voted for that particular function, though it may have been authorized under several general or specific votes for that year. Any member interested may obtain details of these allocations of former votes in committee of supply.

The new form is composed of two main sections. The first, to page 53, is made up of items to be included in the supply bill, together with statutory appropriations, each of which is marked with the letter S. The second section, from page 54 to the end, is for the information of parliament and will not be in the supply bill. In the first section, division by items has been with the object of showing clearly the cost of the various services carried on by the government. The second section, which is entirely new, is designed to furnish parliament with detailed information as to how the various proposed votes are to be spent. For convenience the page number of the details is printed opposite each item.

In effect, items in the first section will become votes which must be administered strictly in accordance with their terms and amounts. On the other hand, the details by objects of expenditure contained in the second section may be varied to meet administrative requirements. In general, they will be the basis of classifications compiled by each department at the beginning of the fiscal year under the terms of section 26 of The Consolidated Revenue and Audit Act. These classifications are submitted to the Department of Finance at the beginning of the fiscal year, and may not be amended except with approval of the treasury board.

The ruling principle of this revision has been the endeavour to furnish the cost of functions. At the same time, it has been necessary to give due consideration to the requirements of administration, accounting and audit, since all are necessary to a full measure of parliamentary control. While the new form is an attempt to meet all essentials, it is not regarded as final. Rather, it is believed that experience in operation and consideration here will suggest further improvements for future years.

I need not say that the changes which have been made have resulted in a great deal of work during the past year for all the departments and for the treasury board. It will be clear, also, that the larger number of votes will probably increase the work of my colleagues and their departmental officials in getting their estimates through the house. We have, however, received the cooperation of all departments in making the revision possible, and I trust that the changes which have been introduced will, after study, commend themselves to the house.

This explanation appearing in Hansard in the morning, Mr. Speaker, together with copies of the estimates which will be distributed to hon. members as soon as the distribution office can arrange it, I am sure will enable hon. members to achieve a thorough understanding of the revision itself and particularly of the objects which it is sought to attain.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. T. A. THOMPSON (Lanark): When the house rose for the dinner recess, Mr. Speaker, I was discussing the imperial trade agreements. I wish to repeat that in my opinion they were the greatest accomplishment of the Canadian people in the last fifty years. They were something we were all proud to get. They have benefited all classes of our people, and they are something that the Canadian people as a whole wish to guard zealously.

If at this session something is not done to increase the prosperity of the masses of our people we may have some trouble in Canada which we do not anticipate. We look at Italy, at Germany and at Russia; we say these things cannot happen in this country, but when we realize the dissatisfaction that exists to-day from the Atlantic to the Pacific, who can tell what will be the outcome.

There is another question to which I should like to direct the attention of the house. I refer to those underpaid men who deliver the mail in our rural sections. Last year this question was brought to the attention of the house but nothing was done. We have no more faithful servants in the Dominion of Canada than the men who daily, rain or shine, deliver the mail at the farmers' gates, but they are the most underpaid class in this country. All they ask is fair treatment. I should like to suggest this to the government, that they put the rural mail carriers on the same basis as the men who deliver mail in the cities. A salary is set for those men; positions are advertised, at $1,200 a year, or whatever it may be. The government say: "Here is a position worth so much money," and they select from the applicants the man whom they consider best qualified for the position. In the country they say; "You fellows bid against one another and we will give the job to the man who bids lowest." I think that is an injustice. These men in hard times have been bidding rural routes down for less than half the proper amount. Why not establish a mileage percentage? A route is surely worth so much per mile. Advertise for the drivers and select from the applicants the man best qualified, not the man who puts in the lowest estimate on the value of his own services.

I have very little time left in which to speak. In the few minutes left to me, however, may I say that we are living in a country composed of men of different races, different creeds, and different nationalities, and the greatest task lying before the statesmen of Canada to-day is to weld these peoples together into one harmonious whole in building up a great Canadian nation. We all have something to learn.

Nothing annoys me more than to hear one class of our people speaking against another class. We must learn that the man at our right hand or at our left hand, whether he worships at the same altar as we worship at, whether this is the land of his birth or the land of his adoption, or whether he speaks the same language as we speak, is after all a brother Canadian and one who is building on the same foundations as we are, the foundations laid by the fathers of confederation, a structure which we hope may be the pride of the whole British Empire.

Let us throw aside these petty differences and let us judge our political questions on their face value and not in the manner they are too often judged. I am sorry to say that in my opinion the present government does not possess the courage to grapple with the momentous questions which present themselves to-day. Faced with responsibility, they choose to shirk it. They say, "Oh, we will appoint a royal commission," and they keep on saying this until, in order to prevent collisions, traffic officers have to be called in to regulate the commissions on the road. They say, "We will refer it to the courts," or "Let parliament settle it," or "Let George do it"—anything to evade responsibility. If in this session legislation is not brought down to improve conditions in which our people find themselves I would call upon the ministry to resign. I would say: Give the people of Canada a chance to elect a government which will have the courage and fortitude to do its duty by the people.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, before proceeding with what I have to say on the address in reply I should like to join with other hon. members who have spoken, and with those who have not spoken, in offering a word of welcome to the mover and seconder, who are new members in the house. I think there could be no time more fitting than the present for two men with experience in the two older provinces of the dominion to come to the house. We are considering changes in our constitution which have to do with the relationship existing between the dominion parliament and the legislatures of the provinces, and I am sure the two men coming to the house at the present time, one with experience in the old province of Quebec, and another with experience in the legislature of the old province of Ontario, will add greatly to the strength of the house in dealing with questions of this kind. The manner in which each of them acquitted himself in moving and seconding the address must add to the welcome which hon. members will extend to them.

In listening to the address of the right hon. the leader of the opposition (Mr. Bennett), I was of course interested in the remarks he had to make relating to the department I have the honour to administer, and more particularly was I interested in the pleasure he seemed to get out of referring to the activities having to do with the relations between myself and the Minister of Labour (Mr. Rogers) and myself and the Minister of Trade and Commerce (Mr. Euler) during the past summer.

With reference to the Minister of Labour I wish to say only this, that we are in entire agreement with regard to all matters having to do with labour, even with regard to the Committee for Industrial Organization. During the late fall I had occasion to discuss in the province of Ontario the activities of the former federal government, which held office prior to 1935, and the activities of the present government of Ontario in dealing with labour matters. I had occasion to call attention to the fact that on every one of three occasions on which the former federal government came into Saskatchewan to deal with labour questions the result was that certain persons were taken to the graveyard, others to the hospital and still others to gaol. But whatever else may be said of the present government of Ontario, they have settled their labour troubles without cracking any heads, without sending anyone to the penitentiary, and certainly without sending anyone to the graveyard.

Mr. LAWSON: A tribute to the people of Ontario.

Mr. GARDINER: The activities of the government in power prior to 1935 extended not only to Saskatchewan but to other provinces, and with similar results. In making those comparisons it was not necessary for me to refer at all to the Committee for Industrial Organization. In settling labour troubles in Canada we have been able to deal with them in the manner in which the Minister of Labour has stated is the proper way to deal with them, and on all those points I agree with the Minister of Labour in the federal government.

One other matter which is of great importance has to do with the distribution of feed and fodder in the drought areas of western Canada. I should like to read to the house, in order to recall the statements made, what

was said by the leader of the opposition in connection with this matter. The right hon. gentleman said:

I feel quite sure, however, that if we could set up the machinery suggested by that report we might be able to provide, shall we say, some provincial premier with larger powers, as were proposed with respect to a high commissioner.

However, I have only this to say with respect to the administration of the act: It is still a politically administered act. At the proper time and place I have an enormous number of communications I should like to bring to this chamber, provided the reading of them would not worry the house. But with respect to the relief afforded to those who have been so unfortunate as to live within the areas in question, it is quite clear that this government has divorced itself from some of its responsibility, and has left it with the provincial administration.

Then the right hon. gentleman proceeded to give what he looked upon as a statement of what might occur in the drought areas of western Canada. I wish to state for his benefit that I think, after I have reviewed the method of administration which has been set up, he will realize no such situation could have developed in the drought area and have been dealt with in the manner in which in his address he stated certain cases had been dealt with.

Before doing that, I should like to call the attention of the house to the fact that the leader of the opposition states that he has in his possession numerous communications, from western Canada I assume, containing complaints based upon cases similar to that which he submitted to the house. I have in my office several files of communications containing complaints and expressing appreciation of what has been done in the drought area. I have had a search of the files made, but I could find no complaint similar to the one brought to the attention of the house the other day by the leader of the opposition.

That being the case, what I want to point out is this: If after the expenditure of hundreds of thousands of dollars—it will extend into millions—in western Canada, it is being insinuated that money is being wasted through the distribution of feed and fodder, then the leader of the opposition is the only one connected with the affairs of the house who has had sufficient information to stop that expenditure of money. Instead of placing his information before the department which I happen to administer, for political reasons he has been talking about the matter up and down the length and breadth of Canada. Finally he has brought it into the house, not in the form of a charge or by reading correspondence, but by saying that he has numerous letters which he will present some place, somewhere, some time, after the money has been spent and any loss incurred. Any hon. member, whether sitting in opposition or otherwise, who receives that kind of communication should place it immediately in the hands of the responsible minister in order that an unnecessary expenditure of money may be stopped. The right hon. gentleman goes on to say:

His efforts may induce the authority to say that the ten may be increased to fifteen.

There are no such figures in connection with any of the regulations that have gone out from this department. He continues:

This government is not doing it, but it is being done by the provincial government. However, the effects are reflected upon us because we are providing the money with which these matters may be taken care of. That is going on, and it is only natural that it should.

With all due respect to the leader of the opposition, I say that if there are cases where it is going on they have not been brought to our attention. I refer to the type of case of which he has been speaking. If it is going on, it should not be going on. If it is going on, I would say that it is not going on with more than five per cent of the people of western Canada who have been given assistance by this government. There is no reason for a member of the house who holds the high position which the leader of the opposition does, to say at this stage, when we are in the middle of the season, "it is only natural that it should." It is not natural that it should. The right hon. gentleman continues:

These conditions are inevitable if the conduct of business is left to purely political sources.

And again:

I repeat that when the money of the taxpayers is being spent in this way it certainly should be done by some independent commission, if possible, so as to prevent not only the opportunity but the temptation for political administration.

I intend to deal with those statements by outlining to the house what has happened during the past few months by way of criticism outside the house, and also by outlining the method of administration set up and what has been accomplished under that method. About October 6 last the leader of the opposition made a statement in Charlottetown, Prince Edward Island, which was reported by the Canadian Press, in which he levied charges against me as Minister of Agriculture in connection with the administration of relief in western Canada. The right hon. gentleman was reported as having said that I was building up an enormous political machine through the administration of relief.

Mr. BENNETT: Hear, hear.

Mr. GARDINER: And my right hon. friend says, "Hear, hear." He then proceeded from Charlottetown to Brandon, Manitoba, where he made almost the identical statement. He then proceeded to Regina. I then thought it about time that I paid a little attention to this matter, seeing that he was in my home province. I sent a statement to the press pointing out that the administration of relief was being conducted through the municipalities in Saskatchewan. Speaking to an audience in Regina the right hon. gentleman came back with the reply, "Yes, it is turned over to the municipalities, but the municipalities are only a cog in the Liberal political machine."

In Saskatchewan there are some 301 municipalities with councils of six; there are somewhere in the neighbourhood of seventy-eight or seventy-nine towns with councils of five; there are some 400 villages and hamlets with councils of three, and there are some eight cities with the usual city council. He was saying that the members of these councils throughout the province were simply cogs in the political machine of the Liberal party in Saskatchewan. There is no one in that province or outside it who believes that. I am certain that my friends of the Cooperative Commonwealth Federation, some of whom come from Saskatchewan or of the Social Credit group, two of whom come from that province, will not admit that the councils in the municipalities which they represent are composed of men who are cogs in any political machine, Liberal, Conservative or otherwise. If I had the time to-night I could recite the conditions existing in many of these councils and convince even the leader of the opposition that his statement was not correct.

What I wanted to point out was this: When the leader of the opposition spoke in Charlottetown and Brandon he placed the blame on my doorstep; when he spoke in the city of Regina he placed the blame on the doorstep of the councils who he said were only a part of the Liberal political machine in that province; when he spoke in Vancouver he repeated the statement. But when he comes into the house, after having gone all the way across Canada, he does not say the Minister of Agriculture is to blame; he does not say the councils in Saskatchewan are to blame; he says the provincial government is to blame. But he does not say it is the provincial government of Saskatchewan or the provincial government of Alberta that is to blame; he does not say that he checked the cases in the federal or provincial departments; he simply makes the blanket statement that something has happened somewhere which is not exactly right. When he reaches the point where he can be faced by the administrators of the department he then lays the blame at the door of a provincial department that is miles away.

In order to indicate whether or not there has been a political set-up in connection with the organization I should like to call the attention of the house to what has happened in connection with the administration of relief in the drought area. In 1936 we determined very early in the season—not as early as this year—that some assistance would have to be given in the areas which had been dried out in the provinces of Manitoba, Saskatchewan, and Alberta over a period of some five or six years. We took the number which had to have assistance on September 1 and adopted those people immediately as the particular care of the federal government. We said to the provincial governments that we were prepared to enter into an agreement to deal with those particular municipalities and provide them with feed and fodder and direct relief. I am dealing only with feed and fodder at the moment because it is in connection with this that the attack is made. As time went along and other municipalities found it absolutely essential that they receive assistance, they would submit their requirements to the provincial government, the provincial government would consider them and if they passed upon them favourably they would turn the matter over to the federal government. We examined into conditions existing in the municipality and determined finally whether it should be admitted or not. We started off with, I think, somewhere about 105 municipalities in Saskatchewan, about nine in Manitoba and about sixty or seventy in Alberta. Then we added to them from time to time until we came to the middle of the month of February, and by the end of that period we had a considerably larger number of municipalities admitted.

What I want to point out to the house is that we found this weakness in that method, that many of the municipalities had to wait for days and weeks, and on occasion even a month, in order to get a final decision from Ottawa after all the inspections had been made; so this year we determined upon a different line of action in order to take care of that area. The Minister of Labour and I, together with a representative of the Saskatchewan government—and when we were in Alberta we got into touch with those who were interested in the matter there—drove over

that whole area. We skirted the boundaries of it all, passing first along the United States boundary; then we went up to Medicine Hat, from there to Brooks, from there to Hanna in Alberta. Then we went down the Goose Lake line to Kindersley, then north to Battleford, from Battleford to Saskatoon, and from Saskatoon down the east side of Long lake to the city of Regina. In that drive I think we covered somewhere in the neighbourhood of 2,500 miles in order to find the boundaries of the area that would require assistance this year, and we located them fairly closely.

We also had information from the municipalities and the provincial governments as to the requirements of these different areas, and finally we made an arrangement of this kind with the provincial governments: We said to Alberta: We are prepared to take in fifty-two municipalities in this province, beginning with the first of September, and carry all the costs of providing feed and fodder and direct relief for these fifty-two municipalities to the thirty-first of March next. We went into Saskatchewan and said: We are prepared to take care of 170 municipalities in Saskatchewan, bearing the entire cost of providing feed and fodder and direct relief from the first of September to the thirty-first of March.

Application was made from Manitoba on behalf of three or four municipalities, but we took the position that three or four municipalities—and I think the number might have been extended to probably nine or ten had the matter been pressed further—or even nine or ten municipalities requiring relief in one whole province did not constitute a problem sufficiently great to warrant the federal government stepping in and taking care of them. In other words, we said that in view of the fact that Manitoba had had a good crop over the greater part of the province they should be able to take care of the requirements of nine or ten municipalities this year. May I say that when the other two provinces get anywhere near the position that Manitoba occupied this year, it will be the policy of the government to stop giving this assistance to Saskatchewan and Alberta.

When we adopted those 170 municipalities in Saskatchewan and fifty-two in Alberta, there was still left a very considerable area outside. In Saskatchewan there are eighty-nine other municipalities that are almost as bad this year as any of the 170 municipalities were in the worst years they went through prior to 1937. Conditions are almost as bad as they were in the worst part of the province in 1931, or in 1934, 1935 or 1936, and the drought has extended over the whole of Saskatchewan this year. The province said to us: We are not in a position entirely to take care of that other area, and they asked us in the first instance to pursue the same policy as we had followed last year. But we suggested this change, that this year we would allow them a definite cash grant to take care of the area outside the 170 municipalities in Saskatchewan and outside the fifty-two municipalities in Alberta, and that we would give $1,000,000 to Saskatchewan and $100,000 to Alberta, and would expect them to find any additional money that was required beyond that $1,000,000 in Saskatchewan and $100,000 in Alberta to take care of the situation. That is the policy we have been following this season. We have one hundred per cent of responsibility in the 170 municipalities in Saskatchewan and in the fifty-two municipalities in Alberta, but the provincial governments are taking care of the administration of relief in the whole area, taking care of any costs over and above the cash we have granted to them outside the federal area, and they are entirely responsible for deciding the time at which these municipalities shall come in throughout the year and for carrying on negotiations with regard to them.

I wanted to make that plain because there is just the possibility that the leader of the opposition has been getting his information from the area that is outside the federal area altogether, and if so, any criticism of his remarks here would naturally come from the provincial government rather than from this government. But any criticism with regard to the other area, the area in connection with which we keep a close check on expenditures—by "we" I mean the Department of Agriculture, the Department of Finance, through the check which the auditors are making—concerns the federal government because we are taking responsibility in connection with all expenditures there.

As to the suggestion that a commission should be set up, this is not the first time such a suggestion has been made. As a matter of fact, a commission was set up previously so far as Saskatchewan is concerned. A commission was set up there in 1931, during the period when the last government was in office at Ottawa; and when the leader of the opposition says, as he did in the words I have just read to the house—

> I repeat that when the money of the taxpayers is being spent in this way it certainly should be done by some independent commission, if possible, so as to prevent not only the opportunity but the temptation for political administration—

—I say, Mr. Speaker, that we do not have to look ahead to see what the right hon. gentleman might do if he were in charge of government, because we have only to look back to see what he did do. He was in charge of this matter from 1931 to 1935, and there were relief areas in Manitoba in those years; there were relief areas in Alberta, and there was a considerable relief area in Saskatchewan, but not so great an area in any of those years as we have had to deal with this year. What did the previous government do with regard to the matter? They set up a commission, yes, but they set up only one commission, and it operated in only one province. They did not set up a commission in Manitoba; they did not set up a commission in Alberta; they set up a commission in Saskatchewan, the only province that had a government which was favourable and friendly to the government then in power at Ottawa.

Mr. BENNETT: May I correct the hon. gentleman? He is in error. The commission was set up by Saskatchewan and named by it; there was no commission in Alberta or Manitoba because of the limited nature of the relief operations that were carried on there. They were carried on by the provincial governments and we gave them assistance.

Mr. GARDINER: Yes, and those areas were somewhat limited as compared with other areas during last year. I have no doubt some of the criticisms of which the right hon. gentleman speaks, are coming from Alberta. I venture to say that I have as many criticisms from Alberta as I have from Saskatchewan with regard to administration, and I assume he has too. In so far as the matter of principle is concerned, if we are spending say a million and a half or two million dollars in Alberta and seven or eight million dollars in Saskatchewan, it is just as essential that there should be a commission in one province as in another, and it always has been so from the beginning. But in so far as the leader of the opposition is concerned, when he was in office he appointed or stood for the appointment of a commission only in the one province which had a government that was friendly to the government at Ottawa.

Mr. BENNETT: We did not spend any money for Alberta or Manitoba except through the provincial government.

Mr. GARDINER: Well, we have not spent any money in either Manitoba, Saskatchewan or Alberta except through the provincial government.

[Mr. Gardiner.]

Mr. BENNETT: Oh, yes, you have.

Mr. GARDINER: Now the right hon. gentleman is suggesting that in one province we should spend through the commission and in the other provinces, I suppose, spend through the provincial governments. I have on my desk a list of the people the commission employed. Do hon. members know how many were employed by the commission or rather by those who were administering its affairs? It might be well at this stage to point out the way these commissions are usually set up. The commission was set up in this manner in Saskatchewan. They took five men, all of whom were busy men, all of whom had their own businesses to attend to, made them a commission, and said, "We are going to make you responsible for administering relief in the province of Saskatchewan."

Mr. BENNETT: There was a woman besides.

Mr. GARDINER: One of the commissioners was running a whole banking system in the province. Another was carrying on an important business. There was one woman, the wife of a farmer, and every one in the house knows how busy the wife of a farmer is. These people were put in charge of the administration of relief in Saskatchewan. Well, they did what any one does under such circumstances. They went out and hired a group of men to administer relief. Do hon. members know whom they hired? They hired the organizer of the Conservative party from Moose Jaw to take charge of the work; they hired the organizer of the Conservative party from the city of North Battleford to take charge of the field staff, and they hired another organizer of the Conservative party to take charge of the distribution of food relief. They put these men in the office. Do you know, Mr. Speaker, how many men and women they hired during the time they were operating? Eight hundred and thirty-nine. They did not stop there. They would not work through the councils of the municipalities. They went out into the municipalities and selected a senate for those municipalities, an appointed body to do this work. They took one man and made him a paid official, and then they had four persons selected from the municipality to sit in the central office or some other room—they usually hired another room in the town where the municipal offices were—and administered the relief of the province in that way, the council sitting one day and considering the affairs of the municipality, and this selected body of the commission sitting another day and considering the matter of the distribution

of relief in the particular place. The paid officials formed a field staff in the pay of the province, and all the money for the payment of relief was provided by grant made by the right hon. gentleman's government from Ottawa.

I do think, with the system we have now under which this government is paying, when we are at the peak of our movement, forty-five men, our administration, in matters of cost at least, compares very favourably with the eight hundred and thirty-nine that the leader of the opposition had through the province in charge of relief at the time he was in office.

Mr. BENNETT: It is necessary to correct that. The eight hundred men were not employed by the federal government, nor were any of them. They were employed by the commission which was appointed by the province.

Mr. GARDINER: That is quite right, Mr. Speaker, but I happened to be leader of the opposition in Saskatchewan during the time this was going on, and I know whom they selected in my constituency. During the time I had been conducting elections in that constituency I had had three opponents, and every one of them was represented among those employed. The opponent in the previous election of the hon. member for Melville (Mr. Motherwell) who represented the same seat in this house, was employed, and two out of the four men I have mentioned lived in the same municipality.

Mr. BENNETT: But they were not employed by the federal government.

Mr. GARDINER: Well, the right hon. gentleman did not make very many checks on how they were employed. Apparently he was not so concerned about checks then as he is now. We have forty-five men going about seeing that these things do not happen.

When we came into power in Saskatchewan, what did we do? I mention this because the right hon gentleman, speaking in the city of Regina, had called to his attention by a previous speaker that there had been no criticism in Saskatchewan while that commission was in office, and I think he repeated the statement at the Regina meeting, that he understood these were prominent citizens and that there had been no criticism. I believe I spoke in pretty nearly every town in Saskatchewan during the time the former provincial government was in office, and I did not miss any opportunity in any town of criticizing them, just as I am criticizing them now, pointing out to the people exactly what I am pointing out to the house, namely that a commission cannot properly check such an administration. As a result, when the election was over every man who had stood for that kind of commission administration in Saskatchewan was defeated, and all but five of those who opposed it were elected. When we came in, of course we dismissed the commission and set up the organization that is there to-day.

There was one other criticism that was made, not by the leader of the opposition but by the hon. member for Rosetown-Biggar (Mr. Coldwell), to which I wish to call attention. He said, as reported on page 106 of Hansard of February 2:

> Much more was I depressed last year to see that the government were not taking effective steps early enough—and may I emphasize those words "early enough"—to meet the situation that was upon us last summer. At the end of June in the town of Rosetown, in my own constituency, I attended a meeting of farmers and business people at which resolutions were passed urging the government to take immediate and effective steps to retain in its present position the grain that was then in the elevators in that constituency, in order to protect the people of that area.

And then he says he was invited to another meeting:

> There again resolutions were passed pointing out the situation and emphasizing the need for the conservation of the seed and feed then in that area. Those resolutions, I am told, were forwarded to Ottawa, yet my observation was that in the weeks that followed, the elevators were virtually emptied of the grain that was there.

I have been in both of these towns, Mr. Speaker, and indeed in most of the towns in Saskatchewan. I want to point out that there are a thousand and more pool elevators in that province. There is one at every important loading point in the province, and those elevators have the grain in them. If there is any grain there the pool elevators, by themselves, will have more than fifty per cent of it, because they take in approximately fifty per cent. Located as they are in both the north and the south—and they are about the only elevator company that is so located—a large percentage, I would say at least sixty per cent and probably seventy-five per cent, of the grain that is moved from the northern areas of the province to the southern areas or that is retained in its possession in order to take care of the farmers' needs, is held in the pool elevators. For that reason I suggest to my hon. friend that the elevator companies that owned the grain belonged to the farmers who wanted the grain.

Mr. COLDWELL: Will the hon. gentleman permit a question?

Mr. GARDINER: Yes.

Mr. COLDWELL: I would ask the minister if he expects the pools to carry a load which properly belongs to the government.

An hon. MEMBER: Why?

Mr. COLDWELL: Because of the position of the market at that time in relation to cash and future prices. The government cannot expect the pools for ever—

Some hon. MEMBERS: Order.

Mr. COLDWELL: —to carry this business for the country.

Mr. GARDINER: It is quite all right. No, Mr. Speaker, I do not expect the pools to carry what ought to be carried by the government, but I am going to point out to the hon. gentleman in a moment that we did not leave it to the pools to carry it either.

Mr. COLDWELL: Why blame them?

Mr. GARDINER: I am not blaming them. It was my hon. friend who blamed them, and I am going to read something else he blamed them for which is more important. My hon. friend said yesterday afternoon—I had better read it now, because it just covers his point—

> On the part of the elevator companies I say that was perfectly natural.

It is strange how nearly the language of the hon. gentleman approximates that of the leader of the opposition. I say, Mr. Speaker, that no elevator company in western Canada has ever done any such thing at any time; it has never taken grain out of Saskatchewan when it was needed by the farmers of Saskatchewan. That has never been done either by the pool elevators or by any elevator company. To continue with the quotation:

> I say further, however, that the government, if it had wished, could have closed the speculative market; it could have discontinued the trading in futures and indemnified the companies involved, if necessary, against subsequent loss due to that governmental action.

Let me tell the house what we did do. We gave certain instructions to the wheat board, about which my hon. friend has something to say. Without any blowing of trumpets, or waving of flags, or answering letters from people who make criticisms at times when criticism does more damage than good, we instructed the wheat board to get the wheat needed for seed next year, without telling anyone that they were getting it, and to put it into the storage elevators or, where it was not advisable to do that, to keep it in storage where it was. In other words, the wheat necessary for seed next year was provided in very large part long before my hon. friend attended these meetings at all. So that so far as early action was concerned, the fact is that while these meetings were being organized we were busy doing the job. The hon. gentleman goes on to say:

> But it allowed that speculative market, about which I have complained from time to time, to continue to operate. The government, which had destroyed the effectiveness of the wheat board method of marketing—

As a matter of fact, we made it very effective in order to do the thing he is worrying about.

> —again remained inert in the face of the pending situation. Can we wonder if the farmers believe the statement that the party now in office at least to some extent was a beneficiary in connection with campaign funds from members of the grain trade?

Again, the language is very similar to that used by the leader of the opposition; and, again, it is only an insinuation and not a charge. To the hon. member for Peace River (Mr. Pelletier) I would say that when he has been longer in the house, or it may be in some other house, he will realize that when a man across the floor throws out vague insinuations in his remarks he is not making a charge. When a man makes a charge in the house he stands up and places his constituency at the disposal of his electors. The leader of the opposition has not made any charge of that kind in connection with anything, within my hearing, since I have been in the house, and I do not think he is very likely to do so on this particular occasion. The hon. member says further:

> That is a suggestion which is made from time to time.

He does not want to take responsibility for it; no, he never does want to take responsibility for anything like that. He throws out an insinuation and has it spread broadcast to do all the harm it can to the party he opposes, and his objective is reached. To continue the quotation:

> The other evening in the house we heard a more specific statement by the leader of the opposition, and, later, briefly mentioning the matter in his speech, the Prime Minister (Mr. Mackenzie King) said that he would like advice as to how the situation could be dealt with.

And the hon. gentleman leaves it there.

Mr. COLDWELL: No, read on; read the next sentence.

Mr. GARDINER: Yes, he has something else to say, but not with regard to that. He says:

> The time has come, in the interests of clean and decent government in Canada, when political parties should be compelled to publish the sources of all their campaign funds—all of them—in order that we may know the interests and influences behind the election of the governments in this country.

I assume that by this he means that opposite their names you should put the amount you have collected. Well, I believe that there are some hon. members who have had some experience in politics, and I have no doubt they will agree with me when I say that if you published on the front pages of the papers any amount of money that you collected for campaign funds, whether $5,000 or $500,000, before night there would be twenty times as many men to take it away from you as there were contributors. Yes, and someone suggests that even some members of the Cooperative Commonwealth Federation would be there to get some of the Liberal funds. Further, the hon. gentleman says:

> The result of the condition to which I have referred means that the government has had to ship in grain for feed and, in the spring, will have to ship in grain for seed. This means that farmers unfortunate enough to have neither seed nor feed, or only one or the other, will be penalized both ways on that account.

The federal government is paying the bill so that the farmers will not be penalized on account of feed.

Mr. COLDWELL: But the taxpayers are paying it and the farmers are taxpayers.

Mr. GARDINER: Yes, and the federal government represents the taxpayers of all Canada. We shall have to worry about more people than those that are getting feed and fodder; it is because we are worrying about these people that we have had these forty-five men checking up both grades of feed and distribution in the areas in which the feed is given out, and where we have had complaints we have sent out the mounted police. I will say further that if my hon. friends, whether they sit in the Conservative opposition or in the ranks of the Cooperative Commonwealth Federation—

An hon. MEMBER: Which is the same thing.

Mr. GARDINER: Someone says it is the same thing. I say that if hon. gentlemen, whether among the Conservatives or the Co-operative Commonwealth Federation or the Social Credit group, will bring to our attention any complaints they think should be investigated, and will produce sufficient evidence to warrant it, we will send the mounted police out to look into all those cases in regard to which there are complaints.

There are one or two remarks I wish to make with regard to the criticism that we did not act soon enough. I have on my desk a list of orders in council and the dates upon which they were passed. My hon. friend says that in the latter part of June he went through the area and knew that conditions were difficult. I was in the area in the early part of June and was aware of the difficulty, and I came back to Ottawa and placed before the government the conditions as they existed out there at that time. We discussed the matter in council and on June 24, 1937, passed the first order in council to deal with it. That order in council had to do with the shipping of live stock out of the drought area. We passed a second order in council on July 22nd, authorizing agreements with the provinces for the purpose of dealing with the provision of feed and fodder. On July 23rd we passed an optional marketing plan, and on September 29, a food distribution plan. Governor general's warrants were issued in order to cover the cost. On August 6, there was one for $5,900,000; on September 29, $7,640,000; on September 29, $1,000,000; on October 29, $6,850,000, for feed and fodder in Alberta and Saskatchewan. I quote these dates and figures to indicate that action was taken in the last week in June by order in council, and orders in council were passed from time to time as required to take care of the situation.

Mr. BENNETT: Will the minister file the orders in council?

Mr. GARDINER: Yes, I have copies before me. I said a moment ago that we started at first with a shipment of live stock, and I wish to explain why that was done. The only legitimate criticism that I have heard with regard to the matter of policy is to the effect that if we depleted the breeding stock of that area we would be doing a disservice to the people there instead of a service. In order to show that nothing of that kind has happened I shall submit a few figures to the house.

The drought area in Saskatchewan is composed of crop districts 1, 2, 3, 4, 6 and 7. The cattle population of that area in 1931 was 726,000 head. The live stock population of

the same area in 1935 was 833,000 head, an increase of 107,000. After five or six years of drought in that area there was more live stock there than in the beginning. Some people may say that is a reason for criticism, and it may be at this stage, but I am not sure that it was at that stage. In 1931, when the first crop failure came, those who were considered to be experts in agriculture, whether provincial or federal, said they thought it would be a good thing to get the people of that area into live stock and particularly into cattle, and they encouraged people, instead of taking their milk out of a can, to get a cow. Of course if you get one cow you are likely to have two the next year, and so the increase goes on. These people in that area obtained cattle and those cattle began to increase.

Mr. BENNETT: Some were brought in from the outside, too.

Mr. GARDINER: Yes, some were brought in. At any rate in the drought area of Saskatchewan in 1935 there were 107,000 more cattle than in 1931. In Alberta in 1931 there were 491,000 cattle in the drought area. In 1935 there were 621,000, again an increase of about 130,000.

Mr. BENNETT: Perhaps it would be fair, would it not, for the minister to say that there was no drought area where those cattle were during the years immediately preceding 1937, which to some extent accounts for the increase in both Alberta and Saskatchewan?

Mr. GARDINER: Yes, that is true, and these dates I am giving are for June 1 in each year. I am giving these increases not by way of criticism but rather to answer the criticism that is now made, that the area has been depleted of cattle.

In 1936 in the drought area of Saskatchewan we had 826,000 head as against 833,000 the previous year. In other words, on June 1, 1936, a decrease was shown amounting to some 7,000 head. In the drought area of Alberta, as of June 1, 1936, there were 606,000 head, a decrease of about 15,000. Then there was quite a decided change by June 1, 1937. I am not going to say that this was due to the fact that there was a change of government in the interval There was a change of policy, and I think the change of policy was advised by people who were getting more and more information as time went along. Finally they came to the conclusion that this thing was becoming so long drawn out that the shipping in of feed and fodder was much more costly than it would be to provide the amount of relief that would be afforded by having the extra numbers of cattle. So by June 1, 1937, before we started our operations this year at all, the number in the drought area of Saskatchewan was down from 826,000 to 796,000, a decrease of 30,000 in that year. In Alberta the number dropped from 606,000 to 534,000, showing a greater decrease than in Saskatchewan, due largely to the fact that in Alberta there are large ranching areas, and the ranchers were dealing with the situation as they found it.

Mr. BENNETT: And the area in Saskatchewan is much larger.

Mr. GARDINER: Yes. In the one province there are small farms with a few head of cattle and in the other there are large ranches with many head.

I might give the total figures for both provinces. In 1931 we had 1,188,000 head of cattle in the entire province of Saskatchewan. In 1937 we had 1,441,000. In other words, we still have 252,000 head more than we had in 1931, so if that number of cattle are still in Saskatchewan no one can say that the country has been depleted of cattle. On June 1 last there were more cattle in Saskatchewan than there were in 1931. In Alberta we have a similar situation. In 1931 there were 1,124,000 cattle and in 1937 there were 1,457,000, or an increase of 333,000.

Now let us look at the figures with regard to shipments during 1937. I said a moment ago that we considered it necessary to get many of these cattle out, and I want to explain why. In the latter part of June we went to the provincial government and asked them to prepare immediately an estimate of the number of cattle in the province and of the number of cattle with which the families in those areas could get along. We also asked them to estimate the cost of obtaining feed and fodder for the total number if they all remained and to estimate the cost in connection with the number that they considered the farmers could get along with. After they made that survey they came back to us and said, "If you allow a family of five in Saskatchewan to keep two cows, and you increase the number from two up to four, depending upon the size of the family; if you allow the same family to keep one beef animal and allow them so many chickens, so many pigs and so on, just what is absolutely essential in order for them to get along, you will require a million tons of fodder to feed that live stock, along with the horses that must be left there in order to put in the crop next season."

Anyone going over that area, as some members of the house did, during the month

of July, would see that there was no feed in that area in that month. There were no signs of feed at all. Any feed that was in that entire drought area was in the form of old straw stacks carried over from a previous year, and even those were only around the rim of what had been the drought area, because in some sections there had not been a crop for five or six years. So at that time you could see there was no possibility of figuring that there would be any fodder out of that area at all, and it looked as though we would have to import a million tons of fodder into the drought area. Some of our friends say there is plenty of fodder in Manitoba, but the best records we can obtain from the statistics branch indicate that Manitoba produces only three-quarters of a million tons of fodder in a year, and this was not a good hay year in that province in spite of the fact that their grain crop was good.

Mr. BARBER: What about British Columbia?

Mr. GARDINER: There is very little in British Columbia, when you compare the number of farmers in that province with the number in Saskatchewan. There are 70,000 farmers in this area about which I am talking in Saskatchewan alone, and when you start to supply the necessary feed and fodder for 70,000 farmers the little you would have in British Columbia, and even the surplus you would have down east here, if there were no other surpluses available, would not go very far in feeding that stock. So they went into Manitoba and got a line on all the surplus fodder that was there; they went into Alberta and got a line on all the surplus fodder that was there, and the estimate was that we could not get more than 300,000 tons from the two provinces combined. I may say that estimate has not yet been fulfilled, and is not likely to be fulfilled by the end of the season.

Realizing that, the provincial government determined that they would have to go outside those provinces, so they went into the state of Minnesota and bought all the hay they could get and had it shipped into this area. Then we made arrangements with the railways whereby they cut the rate almost, though not quite, in half as between the western part of the province of Quebec, the province of Ontario and the drought area, in order that hay might be shipped in from the eastern part of Canada to the drought area. With it all they hope to be able to get into the drought area this year somewhere in the neighbourhood of 300,000 tons of fodder for the live stock of that area.

I can quite understand people complaining. I can quite understand people saying that the hay was not there early enough, but I want to say this: Instructions went out from my office, knowing western Canada as I do know it, that no hay was to be delivered until it was absolutely necessary to have it there. I was much more concerned about having hay there in the middle of February than I was in having hay there last October. I was much more concerned about having hay there on the first of March than in having it there on the first of November, when there was no snow on the ground. But hay was in position to move, all the provincial government could get of it, at all times. It has been moved, and in practically every area in Saskatchewan and in Alberta it will be found they have feed and fodder for the numbers of live stock indicated in the figures which were given out at that particular time.

Mr. SPEAKER: I am sorry to interrupt the hon. member, but his time has expired. He may continue, but only with consent.

Some hon. MEMBERS: Go on.

Mr. GARDINER: Those numbers were there, and that amount of fodder was required.

Mr. BENNETT: I understand a million tons of fodder was required.

Mr. GARDINER: Yes, one million tons.

Mr. BENNETT: Yes, and you were able to get only 300,000; is that right?

Mr. GARDINER: Yes, but I should like to finish the point.

Mr. BENNETT: Yes, I wanted you to do that.

Mr. GARDINER: About the second to last week in July we had rain in the area which had been affected by drought, and that rain resulted in the growth of some of the seed which had been put in the ground early in the year. It resulted also in the growth of Russian thistle. Russian thistle is a little more than ninety per cent salt, and it does not make particularly good feed. However, if it is cut at the proper time of the year live stock will consume it. Mixed with straw it makes a passable food for live stock. The farmers of that area cut the Russian thistle, along with any little bit of growth which they found on the field. They piled it up and, I assume, would have in the neighbourhood of probably 100,000 or 200,000 tons. It is hard to estimate the amount that is scattered over the area. That has been

added to what was shipped in, and by rationing the whole supply, along with increased grain, we hope there will be sufficient to carry the live stock through.

Mr. BENNETT: Will it interfere with the minister if I ask a question?

Mr. GARDINER: No.

Mr. BENNETT: What would be the reduction in herds that would take place by the arrangements which were made by the government as to the numbers which were to be kept?

Mr. GARDINER: I have those figures. I might point out that those cattle that are there, and particularly in the condition they are in, would not sell on the market for more than $10 or $15 per head at the present time.

Mr. BENNETT: They are unsalable, in fact?

Mr. GARDINER: Yes, they are now. There was a time when probably some of them could have been sold. However, to-day they are unsalable. When you are shipping hay from Ontario with a $10 freight rate on it; when you pay $7.50 for the hay and feed an animal a ton and a half—which our friends out west say is not enough—and when that animal is worth only $17 after you have fed it, you can readily see that you have your winter's work for nothing.

In order to avoid that kind of thing going on, and the live stock dying before spring, we undertook to do two or three different things. In the first place, one of the orders in council I mentioned provided for the shipment of cattle out from the area, under provisions whereby the federal government pays all the freight from the farmer's home to some feeding fields which he may be able to find in Manitoba or Alberta. Then we pay the cost of shipping the stock back in the spring. A provision is made whereby we send the breeding stock of persons who can find places to send them, and who have the money to feed them after they are moved.

Mr. BENNETT: Do you supply no fodder in those cases?

Mr. GARDINER: No, not in those cases. I shall deal with the pasture at Carberry in a moment. It was suggested to us that some horses might be fed more cheaply by taking them to the Carberry pasture, and putting them in there. In those cases we paid for the cost of caring for the horses in pasture through the winter, because it is cheaper to feed them there than to feed them in the drought area itself.

On July 23, we passed an order in council setting up what is known as the optional marketing plan. This was a new experiment in connection with this work. However, we thought that in view of the fact that the live stock population had been increasing in the area, we should get the number down. We felt that the government should handle the stock. So, on the basis of the information the government had gathered with regard to the needs of the farmers, we drew up a set of regulations, and those regulations ran somewhat in the terms I have already mentioned to the house.

A farmer with a family of five could keep two cows and, on an average, nine horses. Farmers with larger families could keep up to four cows, depending upon the size of the family, and in addition one beef animal, a certain number of fowl and some hogs. We said to the provincial government, "We would like you to go out to the municipalities, any one of the hundred and seventy the dominion government is going to take care of, and say to them, 'We want you to get your live stock down to these numbers, if you expect the government to supply feed this winter. If you do not expect the government to feed them, you can keep all you like. On the other hand if you do expect the government to feed your live stock this winter we want you to get that live stock down to these numbers' ". Then we were told, "But there are no buyers, and those that are here are beating down our prices." We said, "All right; if you will arrange to asemble the cattle at points we will name we will send men there to grade them. Immediately they are graded we will pay you the Winnipeg price for those cattle in the town where they are graded." That applied to all cattle, with the exception of those ready to go to the butcher. For the butcher cattle we paid the Winnipeg price, less freight. On the canners, on the breeding stock, and on feeder steers, we paid the Winnipeg price at the local market.

Mr. BENNETT: What was the total expenditure?

Mr. GARDINER: I shall come to that. We purchased approximately 90,000 cattle, and those 90,000 were bought in 250 municipalities in Saskatchewan and Alberta. I have the figures for each province, but I believe it is unnecessary to give the details. However the fact is that 90,000 head were purchased.

Mr. BENNETT: At what expenditure?

Mr. GARDINER: At a cost to the government of $340,000, net. That works out to

an average of about $3.80 per head on all the cattle we handled. Those cattle were handled in three different ways. The canners we sent immediately to the abattoirs, and took what we could get for them. We had paid a flat price of one and a quarter cents and sent them in and sold them. In previous years we had guaranteed a flat price of one cent, whereas this year we paid one and a quarter. May I say that we got out a lot better than we expected. During the early part of the period, before we got the pasture at Carberry, we had to ship the feeder cattle to the stockyards. However, during the later part of the season we had the pasture at Carberry, which consisted of 130,000 acres of grass land. We shipped the cattle there and let them run on the grass a couple of weeks to freshen them up. Then we classified them into carloads and asked the eastern and American buyers to come and bid on them at auction sales.

They were sold outright and taken away and we pay half the freight, if the farmer who bought them keeps them somewhere in eastern Canada and feeds them for three months. Through that policy we got rid of 90,000 head from the area. Under the half-freight policy we got rid of another number. All told, under the government policies we moved 160,000 head out of the area.

In addition to that, a considerable number of cattle were sold in the ordinary trade. The figures I have before me show that the total number of cattle taken out of the drought area in 1937 was 474,000 head.

I should like to give the number of cattle and calves taken out of Alberta and Saskatchewan. They are:

	Alberta	Saskatchewan
1937..	450,746	611,574
1936..	472,917	401,626
1935..	340,936	335,772

From Saskatchewan we took out 200,000 more in 1937 than in 1936, and 276,000 more than in 1935.

Mr. BENNETT: Would the minister indicate as a matter of record what the cattle population of those provinces was at the end of 1937? I realize this would be only an estimate.

Mr. GARDINER: I gave those figures a few moments ago, but I can repeat them.

Mr. BENNETT: Do not bother repeating them.

Mr. GARDINER: The total cattle population of Saskatchewan in 1931—

Mr. BENNETT: I was referring to the population after the shipments out in the manner indicated had been made.

Mr. GARDINER: I tried to get those figures, but I am sorry they are not complete. I should think the figure would be somewhere near what it was in 1931. There will be as many cattle in that area at the end of this season as there were in 1931. This brings out the point I started to make, that there is no danger of the cattle population being depleted by anything that is done this year or has been done in previous years. I think this is sufficient to answer the concern which appeared to be in the minds of those who have discussed this matter earlier in the debate and I hope it will settle the question in so far as those who may discuss the matter later on are concerned.

There is only one other matter I should like to deal with before I take my seat, namely the distribution of food in this area by the federal government. Approximately a million dollars has been spent in the distribution of food. There have been one or two criticisms of this work, which criticism I regret but which I do not think it necessary for me to bring to the attention of the house. On the whole, much has been said to commend this matter to the house.

The principal criticism which came from the drought areas in previous years has been that the relief schedules provided for the different-sized families have not been sufficient. I think any one can understand why that criticism has been made.

These families have been accustomed to running out to the garden to get whatever vegetables they required, or to the henhouse to get whatever eggs or fowl were needed, or to have recourse to meat supplies on their own farms. They probably used food much more liberally than other people who might have had to be more careful as to obtaining the food or using it after they had obtained it. There was some difficulty in placing vouchers at the beginning of the month to carry a family of five or ten through to the end of the month.

There is one matter raised by the leader of the opposition which I shall discuss later on in the session. We have had in mind the development of a marketing branch in the Department of Agriculture. For the benefit of those who have been discussing this question during the debate, I may state that we had in mind the fact that between 80 and 90 per cent of the food products of this country are consumed in the country. Therefore we consider it necessary to spend probably 80

or 90 per cent of the money we do spend in order to grade or to classify or to package our products on products to be used in Canada rather than anywhere else. Some of the money voted last year and the year before was for the purpose of setting up an organization in this country to take care of marketing and an organization in the old country and in other countries to check our products to the consumer in order to see that the standard was maintained.

One thing which has always appeared strange to me is the fact that while we claim to make the best cheese in the world in Canada—I think it is acknowledged in the British market that Canadian cheddar cheese is the best cheese made for general purposes—our production dropped from 220,000,000 pounds in 1900 to 100,000,000 pounds in 1935. This decrease in production has been gradual all through the years, no matter what policy was in force or what government was in power. In 1907 there were 190,000,000 pounds of Canadian cheese consumed in the British market, whereas in 1935 this consumption had dropped to 52,000,000 pounds. In so far as New Zealand was concerned, the British market used 27,000,000 pounds in 1907 and 197,000,000 pounds in 1935. In other words, the positions of Canada and New Zealand had been reversed about exactly during those thirty years.

When I came into the department I made some inquiries as to why this was the case. I went to England and the first morning I was there I walked out on the Strand. One-half mile away, facing a stretch of street through which more people walk than any other similar stretch anywhere else in the world, I saw this sign, "Eat New Zealand cheese." Under those words was something about New Zealand butter. Out on the street I saw a bus going by bearing a sign, "Eat Australian lamb." Then I saw another sign, "Eat Australian butter." I walked all the way down to Canada House without seeing the word "Canada." Even when I got there I could hardly see it as it was so bleached out that it could not be seen unless you made a special effort to look for it on the stonework across the top of the door. I make no reference to any government that was in power previously, or to the present government; all I say is that in this modern age you cannot sell Canadian or any other products by that method when you are in competition with a country using the opposite method. The sales of New Zealand and Canadian cheese I think will demonstrate that fact to the satisfaction of any one who examines the figures.

This state of affairs was changed to some extent when the "Canada Calling" campaign was put on. The cheese producers of Ontario, with the assistance of the Minister of Agriculture of the Ontario government of that time, cooperating with the dominion government, sent their secretary over to England to advance the sale of cheese in that market. The result is that the figures show that exports of cheese to the British market last year increased by about 15,000,000 pounds, if I remember rightly, and this year they have gone up an additional 14,000,000 pounds. This year we have sold something in the neighbourhood of 81,000,000 pounds of cheese, whereas we sold only 52,000,000 pounds in 1935. I do not like to comment upon the fact that we took something away from someone else, but the fact remains that sales of New Zealand cheese went down during the same period.

It might be interesting to the house to know that of the sixteen countries in which records are kept, Canada consumes the smallest amount of cheese per capita; yet we are trying to convince the world that we produce the best cheese in the world. There were 74,000 families in western Canada who were not accustomed to eating cheese, but this year they are in the position that they will eat any good food you give them.

Mr. BENNETT: They had to eat it this year.

Mr. GARDINER: Yes, as my right hon. friend says, they had to eat it this year. We went into Ontario and into Quebec, where we purchased the best cheese we could buy in the fall of the year and shipped it out to Saskatchewan, and we put an average of thirty pounds of cheese into each of these 74,000 homes in the drought area of Saskatchewan and Alberta. We did that, Mr. Speaker, not only to provide them with good food but as an advertisement for the good cheese which is produced in eastern Canada. So that bill might be in part charged up to advertising the merits of eastern Canada cheese.

I also remembered that in my early days in Ontario I used to go down to the corner grocery store and see those piles of dried cod looking very much like the snowshoes that are used to-day, and just about as hard and dry. I have never seen any of it in western Canada. We conceived the idea of taking some of this good food that will keep well out in the cold, dry climate of Saskatchewan and Alberta, and putting some of that in these homes. We put an average of forty-four pounds of this dried fish into each of these homes, and along with it we sent thirty

different recipes showing how it could be prepared, knowing that many of the people there would never have seen it before. We considered that also good advertising for the products of the maritime provinces.

We found that in the province of Ontario, around the city of Toronto, some people had produced too many vegetables, and we went into those areas, bought these surplus vegetables and shipped them west. We did the same in areas around Winnipeg, and I want to add my word of appreciation to what the hon. member for Moose Jaw (Mr. Ross) who spoke earlier to-day, had to say. For every car we bought, people living around these areas sent three or four more cars as a gift to the people in the western drought area. Then we bought apples in Nova Scotia and in British Columbia and shipped them in. With some two thousand cars of all these supplies sent in to that area, by gift and purchase, containing beans, fish, cheese, vegetables and fruit, the people of that area had something in their pantries and their basements to draw upon when they were getting near the end of their vouchers for supplies, with the result that there have been fewer complaints coming out of that area this year than have come in any previous year. I might add that I do not think anyone in that area has been overfed as a result of these supplies being sent in. When you find 74,000 families in need of assistance—and with an average of five to a family that would be over 370,000 people—and when you give this assistance as well to those who otherwise would have gone on relief and to those who should have gone on but did not, these people I think will be feeling more kindly not only to governments as governments but also to the great mass of our people in other parts of Canada who made possible the sending in of these supplies.

In conclusion I would say, Mr. Speaker, that if we want to cure communism, which has been talked about; if we want to stop people dressing up in uniforms and holding up their right hand or their left hand—I do not know which it is—and saluting someone else; if we want to make people satisfied with the country in which they are living, I think this method of spending a little money in order to give satisfactions that are not otherwise possible for people who are going through great suffering is the best thing we can do, and the more of it is done the better it will be for our country and the better for those of us who come to this house.

I appreciate this extra time which the house has accorded to me to deal with this question, which is very near to the hearts of everybody in Canada.

Mr. BENNETT: Will the minister be good enough to table to-morrow the orders in council to which he referred, and would he indicate under what authority the wheat board purchased the seed grain, in view of the fact that the limitation is imposed that purchases shall be from the producers only? Second, he might indicate whether they bought wheat or futures.

Mr. GARDINER: It was done not by way of purchase but by way of exchange of contracts held for the actual wheat.

Mr. BENNETT: That is what I wanted to know.

Mr. DUNNING: Retention, not purchase.

Mr. J. S. TAYLOR (Nanaimo): Mr. Speaker, to avoid vain repetitions, it is not my purpose to make any major comments on the address in reply to the speech from the throne, but in the manner somewhat of an intellectual Autolycus, a snapper-up of unconsidered trifles, I want to make some special references to things which I have noticed.

The Bank of Canada, the central bank of our country, authorized by the government to be the custodian and guardian of the people's currency, has recently issued the bilingual notes. Canada is already a fully established commercial country, and the fine arts and printing industry is definitely and well established here, and can be said, I think, to be second to none. The British American Bank Note Company is probably able to produce as excellent a bank note as any other bank note company in the world. Then why is it, Mr. Speaker, that in launching these notes in a public issue they should be of such a nature as to cause considerable distress and demand continuous acuteness of attention because of their faulty identification? Since coming to the house this session I have already from the cash desks of the house received change for a two-dollar tender instead of a five-dollar tender. True, the error was immediately corrected, but it indicates that there is something wrong with the currency when one is liable in the rapid handling of money to make such mistakes. I think greater care should have been taken in the production of these notes, not only as to their colour but as to their type, and I do hope that in any future printings these same mistakes will not be repeated.

A great many people in this country, a great many more than we are disposed to think, are colour blind as to one or more colours, and when you have your five's and your one's so closely related in colour, green and blue, it is not at all unlikely that in certain coloured lights mistakes will be made. Not only that, but the backing of certain of the notes is very confusing alongside the old issue. I think if the matter is carefully considered by someone in the interests of the currency issue, we shall soon determine that something should be done.

Another thing, in somewhat happier vein. I desire very sincerely to congratulate the government and everybody more particularly connected with the stone carving which has been executed on the front porch or entrance of this stately building. More particularly do I feel satisfied and pleased that the supporters are symbolic. I remember when I left here last session learning that they would probably be, if not Atlantes, then typical of our historic past. The choice of the symbolic supporters for the shields is in my mind more permanently acceptable and I think will prove to be truer to the heraldic significance. Especially was I delighted to discover that the eastern escutcheon is left polished and uncharged. May I hope and have faith that that is left there so that our neighbour whose destinies lie in the isle so long ago discovered by the doughty Bristol rover John Cabot will recognize our quality as a nation and join us and blazon his charges on that waiting shield. Again, let me express pleasure in the treatment of the bosses around the stonework of the building, and with particular reference to the delicate idea which placed the initials of Edwardus Rex and the Roman numerals VIII on the boss immediately over the foundation stone of the Victory peace tower. These things are worth remembering while we are struggling with our political issues, because they represent to us sermons being carved in stones as well as in the hearts of our people.

But there is another matter of an entirely different nature to which I wish to refer. It is almost exactly two years ago since the hon. member for Nanaimo stood in his place to make his speech in somewhat similar case as to-night. In those exciting moments he definitely proclaimed and orientated the political parties in the house and declared, with W. S. Gilbert, that:

> Every little boy and gal
> That comes into this world alive
> Is either a little Liberal
> Or else a little Conservative.

[Mr. J. S. Taylor.]

Nor was he nonplussed at the obvious question: Where, then, is the Cooperative Commonwealth Federation? Let me read just a few words from that speech, on page 181 of Hansard, February 13, 1936:

> If the house is composed of Liberals and Conservatives, where does this puny group of seven orientate itself? The answer is really simpler than the question. For the first time in the history of this august parliament we have come to a truly foundational opposition by a coherent group; and we, sir, are that foundational opposition and that small group, the outgrowth of the long continued and persistent efforts of our respected leader. . . . We are the scientific students of economics which in this day and age of the downfall and portending holocaust of capitalism must discover to the world the personal advantages, the national security and the universal brotherhood which underlie as foundation stones the social structures and the social culture and advancement of the system of society called socialism.

Nor was he to know that within five months of that night he would be placed on suspension by that coherent group and thrown into line for complete expulsion in February of 1937. And so, sir, to be consistent and honest, I say with the deepest regret that in British Columbia at least the Cooperative Commonwealth Federation is not a coherent group, nor does it represent any longer a truly foundational opposition to the existing so-called capitalist parties. Tragically, there has been lost to the cause of the constitutional and transitional development towards socialism the greatest mass movement which Canadian politics has ever experienced. I am not talking in spleen or in personal antagonism when I state those facts. I have been too closely identified with the very commencement of the movement in British Columbia to be in doubt of what I say. But I declare with sorrow that the ambitions and machinations of dogmatic and doctrinaire Marxian socialists brought about control of the British Columbia party's convention in 1936 and left no resting or abiding place for the socialists of a liberal structure of mind who would otherwise, in the enthusiasm of their desires, have provided added strength and intelligence to the new and greatly promising party. Whatever my personal thoughts may be, I shall not here lay blame on any particular person or persons, but I have little admiration for the intelligences that could conceive of the possibility of dominating one structure of mind by another without giving it even the opportunity of expressing itself or voicing its discontent. Of course this brings me to the unequivocal statement that the Cooperative Commonwealth Fed-

eration is losing ground in British Columbia and, I would say, in every other province where the same or similar conditions obtain.

It must be apparent, sir, that if I am correct, and there are two structures of political mind, the Liberal and the Conservative, then these must be present in the interpretation of socialism as well as of capitalism. And they are, but not in the manner of the man in the street, who classifies the parties in their approach to socialism as conservatives, liberals, radicals, modern socialists, doctrinaire socialists, communists. The facts are that in capitalism we have the conservative and the liberal; in socialism we have the modern socialist and the doctrinaire or Marxian socialist. The liberal and the modern socialist have similar structures of mind. The conservative and the doctrinaire socialist have similar structures of mind. And if we want any verification of that fact, the obvious statements made by the leader of the opposition (Mr. Bennett) and remarked upon by the Minister of Agriculture (Mr. Gardiner) will at least have some value in bearing me out.

It thus follows, and it can be proved by numerous examples, that the conservative turned socialist becomes a dogmatic and doctrinaire socialist, and, according to his cultural and ethical outlook, a potential communist. If I am correct, then it must be right to say that fascism is an excess in the cultural and ethical expression of capital conservatism, and evidences will doubtless considerably support me. Through all this, it will be observed, I give communism no place; I give fascism no place in the intellectual structures of our political life. They represent excesses in the moral and ethical development of the conservative, just as unbridled freedom and licence, or, under other conditions, bureaucracy, might represent excesses in the moral and ethical field of liberalism. It matters not whether it be a big stick of wood or a big rod of steel, fascism or communism, it means excess and is to be condemned and despised as such.

Now always, the dogmatic doctrinaire Marxist is a pro-communist; and here lies the grave danger developing out of the separation of the elements in the Cooperative Commonwealth Federation. Marx wrote the Communist Manifesto in German for the Germans in January, 1848, and Frederick Engels, who to my mind was very often his evil genius, made the following observations in January, 1888, in his introduction to Samuel Moore's translation of the German Communist Manifesto published by Charles H. Kerr and Company, of Chicago. With reference to the time when this was written, Engels says:

> Whatever portion of the working class had become convinced of the insufficiency of mere political revolutions, and had proclaimed the necessity of a total social change, that portion, then, called itself Communist. It was a crude, rough-hewn, purely instinctive sort of Communism; still, it touched the cardinal point and was powerful enough amongst the working class to produce the Utopian Communism, in France, of Cabet, and in Germany, of Weitling. Thus, Socialism was, in 1847, a middle-class movement, Communism a working class movement. Socialism was, on the continent at least, "respectable"; Communism was the very opposite. And as our notion, from the very beginning, was that "the emancipation of the working class must be the act of the working class itself," there could be no doubt as to which of the two names we must take. Moreover, we have, ever since, been far from repudiating it.

Now let me read from the last few lines of the fourth part of the Communist Manifesto:

> In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things.
>
> In all these movements they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time.
>
> Finally, they labour everywhere for the union and agreement of the democratic parties of all countries.
>
> The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.
>
> Working men of all countries, unite!

With such sentiments I will have no truck, nor will I blindly attach any adherence to them. Karl Marx I admire for his most excellent analysis of capital and capitalism—the capitalist economy of his day. His analyses were excellent, but his formulae for the most part leave me entirely unimpressed. Do I then fear the communists? No, save that they destroy everything and every organization to which they attach themselves. And they have attached and are attaching themselves with great assiduity and cunning to the Cooperative Commonwealth Federation.

Through sixteen years, from the meeting of the Third International in Moscow in 1919 until 1935, the Russian-directed communists throughout the world had attempted to foster and project internecine war in every country of the world. In June, 1935, when the International again met in Moscow at their seventh communist congress, they acknowledged having pursued the wrong tactics and declared that thenceforth they must penetrate all

human, ethical, social and political organizations everywhere. And this the least observant individual is able to discover to-day. This was in June, 1935. By November, 1935, they were already able to boast of their successful general penetration of the Canadian Cooperative Commonwealth Federation, as perusal of the reports and speeches at the ninth plenum of the central committee of the communist party of Canada in November, 1935, will most abundantly demonstrate. Let me read three short extracts from this publication—and I choose three at random from probably a hundred throughout the book, which it is extremely difficult to get hold of:

We Strive to Remove All Barriers.

On all of these things we have common ground with the C.C.F. How can we win the C.C.F. for common action on all of these issues? How can we open up every possible avenue towards unity of action and remove every possible barrier that stands in the way?

We declare that in the interests of unity of action we are prepared to affiliate to the C.C.F., retaining our freedom of independent action on the basis of genuine democracy and to sincerely work with all our strength to transform the C.C.F. into the broadest united front party, embracing all the trade unions and farmers' organizations and endeavouring to come to an agreement and understanding with the mass organizations of middle class people on the basis of a united front program of action for peace, for democratic rights and to ease the economic position of the masses by shifting the burdens of the crisis on to the shoulders of the ruling class.

Then again on page 50 I find the following:

Cadres Decide Everything.

Let me explain what is meant by "cadres." Three, four or five communists whose loyalty is not doubted are assigned to inter-penetrate an organization. By dint of great purpose of mind, by strict attention to their duties and by working together ultimately they secure positions on committees: possibly a secretariat; possibly a chairmanship; possibly a delegateship, and so on. They wait until all the men who are toilers have gone home, then push through resolutions in their own interests. It is not long before the organization so interpenetrated is directly controlled, with a lightly gloved hand, by the communists. Those are the cadres, and this is what is said:

The organizational commission that we have set up at this plenum is taking up the problem of cadres as the central key problem confronting the party to-day. At the seventh congress of the Communist International this question was placed before all the parties as the decisive key problem. Comrade Dimitroff stated:

"The problem of what should be the correct policy with regard to cadres is the most vital one of our parties as well as the Y. C. L's—

[Mr. J. S. Taylor.]

That is the Young Communist League.

—and all other organizations of the entire labour movement."

Comrade Dimitroff pointed out six basic considerations in respect to the problem of cadres: first of all, we must know our people. Secondly we must institute a proper systematic promotion of new cadres. Thirdly, we must use all of our people to the best advantage. Fourth, we must properly distribute our cadres. Sixth, the party must care for the proper preservation and protection of its cadres.

In this connection may I state that one of the delegates to the 1936 national convention of the Cooperative Commonwealth Federation, coming from the Fraser valley, was an avowed communist. Again I quote from page 94, and this is the last quotation:

First of all, we want to make the Young Communist League an organization that will have in its ranks not only communists, but also young socialists and youth who are not as yet communists, even youth who may still be Christians,—

Let me emphasize those words, "even youth who may still be Christians."

—an organization which stands on a program of the defence of the economic and political needs of the young people, the cultural interests of the young people, that stands on a platform of struggle against fascism and war and for socialism, but such an organization will not necessarily take a position on soviet power. Such an organization does not fight for soviet power and the dictatorship of the proletariat. It is the task of the communists inside such an organization to convince and educate the young people inside the organization to agree to accept such a position.

I offer no comment, but I do say, after the most mature consideration, that the development of emotional adherence to new political parties and the sway of emotional political adherents by sectional dogmatism, are suicidal errors in political life. Based on this I declare the Cooperative Commonwealth Federation party in Canada to be already doomed as a constitutional transitional movement to socialism. It already, too, definitely represents, in British Columbia at least, doctrinaire and dogmatic socialism of the Marx—Engels—Lenin—Stalin type. Though I greatly respect the high quality and purpose of every one of its representatives in the house, I fear they are doomed to find themselves compelled by the body of their procession to march in directions differing entirely from those indicated by the signposts of the Cooperative Commonwealth Federation.

So it is that while still a socialist I declare that I am essentially of the liberal structure of mind, and while my election in 1935 constrains me to call myself an independent for the time being I recognize the weakness to the country and my people in the stand I am constrained to take. I definitely believe that

there are many not only potential but essential socialists in the Liberal and Conservative ranks, and I believe it would be to the advantage of the country and its progress if the leaders of the old line parties would declare their readiness to embrace all proper to their particular structure of mind, no matter how their intelligence and purpose may desire constitutionally to vary the country's present economy and economic social system.

In closing, and because I still have an earnest message to deliver, I must advise the government that I intend to vote for the amendment, not essentially because of its contents but as a definite protest against the continuance of orthodoxy in the treatment of the staggering problems of the country to-day.

Mr. H. R. FLEMING (Humboldt): Mr. Speaker, I shall not attempt to follow the hon. member for Nanaimo (Mr. Taylor) in his address in connection with the Cooperative Commonwealth Federation and socialism.

In accordance with established custom and constitutional procedure the speech from the throne was presented by His Excellency the Governor General with the usual formalities that mark the opening of parliament. Its adoption was moved by the hon. member for Lotbiniere (Mr. Francœur) and seconded by the hon. member for Renfrew North (Mr. Warren) in addresses that did credit to the occasion and to the house. The speech reviewed, as was its purpose, the situation that confronts the people of Canada to-day, and foreshadowed the more important issues in connection with which we may expect legislative action this session. It took due cognizance of the exceptional conditions under which the people of Canada are labouring at present and of the trying times through which we are passing. It sees problems that ordinarily would be national only in scope seriously complicated by world conditions and economic uncertainty, and it is to those more pressing of our problems that it directs our best efforts at this time.

Before proceeding with what to me, as a westerner, is a matter of paramount importance, I should like to pay tribute to the leader of the government (Mr. Mackenzie King), who represented us so ably and so creditably at the coronation ceremonies of their majesties last spring. All Canadians, regardless of party affiliations could not but feel a glow of pride in the fact that the senior member in the British Commonwealth of Nations was fortunate in having as its representative one so eminently fitted to fill such a difficult role. Tact and urbanity, the prime requisites in state functions, were not wanting in our distinguished Prime Minister on that glorious occasion. Indeed, if the comment of the British press is any criterion, the Canadian Prime Minister deported himself with that dignity and diplomacy befitting the occasion.

To those of us who have followed his public career, and are familiar with his grasp of international affairs, it was not surprising to learn that he was able to enter so understandingly into the spirit of such an occasion, and favourably to impress all those who had so much at heart the success of that important event.

Bound together as we are, not only by ties of race and blood but by ties of common interest, the problem of every section of this great dominion becomes the problem of all. All our thoughts, all our hopes, all our inspirations and all our objectives were unified in that historic document which gave us national birth three-quarters of a century ago and which, throughout the years, has held us together in good report and in evil report, and has enabled us to discharge our national responsibility in a manner which has won the respect of the civilized world and commands the admiration of friend and foe alike.

When the supreme test came in the great war, it was through that test that Canada attained her majority and rose from beneath the wand of the Statute of Westminster to a proud place among the nations of the world. No true Canadian will raise issues which would divide section against section, or do anything to dim the lustre of that proud record. On the contrary. I am sure all with listen sympathetically and understandingly to each economic group as it pleads its case before the House of Commons. No section will discriminate against another on the ground alone of geographic location. Saskatchewan will listen to the maritimes as they present their fishing problem, to Ontario and Quebec as they debate their power issues, to British Columbia in her demands for better marketing conditions, and to Manitoba and Alberta as they offer a solution to the wheat problem. But all these provinces will in turn have to listen to Saskatchewan as she pleads in this, her hour of direst need, for that consideration which is due a people who gave with a lavish hand when they had it to give, and who come now as a member of that great Canadian family for temporary assistance, until the storm shall have passed.

She comes not as a stranger in quest of charity, but as an integral part of that great Canadian family, claiming the consideration which is due her. She stands upon her unquestioned right to temporary shelter within that home which she, by her pioneering spirit,

has helped to rear. Discriminated against by transportation rates and tariff walls, under various federal administrations, she did not threaten secession, nor did she openly advocate the formation of any defensive alliances. On the contrary she relied on the goodwill and understanding of those sections of the dominion which had profited by the new market she had opened up to them.

It is upon that goodwill that she relies to-day, in her appeal for a permanent solution of her drought problem. I have studied the speech from the throne which was read in this chamber by you, Mr. Speaker, and in this memorable document one finds many commendable suggestions with respect to legislation which will be brought forward by parliamentary enactment for the betterment of the Canadian people. After careful perusal of that document I find the one problem which in my opinion is most urgent is dealt with in this manner:

> The recurrence, in a more acute form, of drought conditions in certain areas of western Canada has unfortunately made it necessary to provide assistance on an unprecedented scale. The government intends to continue its activities under the Prairie Farm Rehabilitation Act.

Drought, Mr. Speaker, for some time has been considered a national responsibility, financially and administratively. The drought area covers many millions of acres of all types of land. About forty million acres are occupied and about twenty million acres of that are improved; that is, that land has been used for crops or pasture. About a quarter of the whole area is semi-arid. It was so described by LaVerendrye the explorer, when he crossed the plains in 1733, because it was referred to as the great treeless desert.

Thompson in his Narrative of Explorations in Western America stated:

> The great plains may be said to be barren for great spaces, even, of coarse grass. . . . Even the rivers that flow through the plains do not seem to fertilize the ground adjacent to them.

Also, Macoun, in 1879, in his autobiography states at page 184:

> There were at least 400 miles from Moose Jaw where there were no trees and scarcely a shrub. . . . In 1879 I found a parched surface, dried and withered grass. . . . In 1880 there were numbers of dried creeks on each line of travel. . . . In 1894 the country was drying up, the lakes were disappearing, and many of the settlers were leaving the land. At this time nearly all the lakes and streams on the prairie had ceased to flow. We found the country everywhere dried up and the grass crisp and brittle. . . . In all my explorations so far we found the country extremely dry.

However, the railway was built through this region and people swarmed in. The land was taken up as homesteads. It was broken up and produced wonderful wheat crops. That land would produce bountiful crops again, if only we had sufficient moisture. Mr. George Avery who won first prize in the durum wheat class at the recent International Grain Show in Chicago makes this comment in the Regina Leader-Post:

> Give us some moisture and we will have bumper crops. The people who say the west is "through" are mostly people who have not been here long. I have seen wet years and dry years; this is but one of the dry cycles. This year has been the driest I have ever seen.

I am sure all hon. members are interested in the problem and wish to help. If people are thoroughly to understand the grave and ever increasing problem confronting Canada to-day, a well marshalled campaign must be waged. The editor of the Sunday Dispatch, London, did not make a rash statement when some time ago he wrote in his paper:

> Whatever solution is attempted, the world will shortly watch one of the most romantic passages in the history of any people and see again demonstrated that refusal of British stock to be defeated by nature.

It might be worth our while carefully to examine the tragedy of the prairies, to estimate the cause of our troubles and perhaps to lay out some definite future course of action. When we ask the simple question as to what causes drought the simplest and most obvious answer is lack of rain. You may say that is elementary, but as a general answer it is perfectly correct. There is no evidence to show that the climate is changing. All meteorological records go to disprove that the west is growing drier as the years go by. Drought has been known in the west before. The claim is made that it runs in cycles, and that this is the longest cycle since Saskatchewan has been settled. The west is amazingly resilient. Its optimism is proverbial. "A good crop next year and all our troubles will be over" seems to be the thought. However it is difficult to be optimistic after seven or eight lean years, with all the accompanying reverses.

From the beginning of the development of western Canada in the early eighties the necessity and the possibility of irrigation were the subject of study. History has revealed that for centuries the prairies have been subject to recurrent periods of drought of varying intensity and duration and there is no reason to believe that in this respect history will not repeat itself in the future. Recently an expert was quoted as stating that the west will always be subject to drought periods. It would be only rational to expect that we should take advantage of our experience of

the past eight years and provide for the storage of available waste water as far as it is possible by means of agricultural engineering. This must be done since "drought is going to be a permanent problem," in the judgment of a western farmer now prominently engaged in an effort to solve some of Alberta's problems.

The use of irrigation as an aid to the growth of vegetation is a very ancient art. The paintings and sculptures of ancient Egypt show that it was in use at least 4,000 years ago. There are irrigation works in southern India which were built by the Hindus and which antedate the Christian era. In many parts of the western hemisphere, notably in Peru and in the southwestern part of the United States, there are to be found the remains of ancient irrigation works which are evidently centuries older than any historical record. In some countries irrigation has arisen and disappeared with the civilization of which it formed a part. This is true of the irrigation works connected with the civilization in the western hemisphere. There are evidences of prehistoric irrigation in the Hawaiian islands.

More land was irrigated for the first time in the last half of the nineteenth century than in all preceding centuries. The increase in the world's population, the higher standards of living, the improvement in methods of transportation and the opening up of new markets are combining to bring about the reclamation of lands hitherto neglected and to increase the productiveness of lands hitherto cultivated. Irrigation is one of the most potent factors in both directions. The area irrigated along the Nile has been doubled in the last fifty years. Four million acres were irrigated from government works in British India in 1850; twenty million acres in 1900. Although irrigation in Italy dates back to the Roman empire, the area irrigated has more than doubled since 1848. The most significant extension of irrigation, however, has been in newly settled countries. In Australia, New Zealand, and South Africa, irrigation in recent years has been an important factor in agricultural production. Statistics for 1930 give a total area of 19,547,544 acres under irrigation in the United States, and this has been greatly increased during the last long drought cycle. As to the beneficial effects of irrigation, the Toronto Evening Telegram had this to say editorially on April 2, 1935, with regard to Lloyd barrage:

> A country about the size of England, peopled by agriculturalists, but practically without rain, and dependent for its water supply on a single river—that is the province of Sind in India. Under British rule the primitive canals have been greatly improved and extended, and now the province has the largest irrigation system in the world, with a dam about a mile in length, pierced by sixty-six sluice gate openings, and seven great canals, every one bigger than the Suez.

In 1769 India suffered from drought. A large percentage of the population received drought relief through voluntary contributions. This condition has been removed by means of irrigation. Irrigation systems were built extending from the Himalaya mountains through northern India covering twenty-five million acres. To-day because of irrigation engineering systems in the Nile and in the Ethiopian mountains the British engineers have made Egypt the most productive agricultural country in the world. Why should such a system not be feasible in western Canada? Mr. O. R. Galbraith, secretary of the Saskatchewan-Alberta Irrigation Association says of the situation in the west:

> There is no doubt about the need for irrigation in western Canada, and there is no doubt about its feasibility. We have the Rocky mountains covering a breadth of over 200 miles in which are located thousands of lakes which drain themselves back into the Pacific ocean. No effort has ever been made to divert some of that water down over the prairies and fill the innumerable river beds and lakes now gone dry, to provide a greater head of water in the Saskatchewan rivers and by means of dams provide sources of power and irrigation projects throughout the drought stricken areas; whereas a number of such instances can be shown throughout the United States.

I am aware that this is a view which is not shared by the Saskatchewan Minister of Agriculture whose evidence before the Rowell commission in Regina on December 16 last was both interesting and illuminating. The Hon. Mr. Taggart is afraid that engineering difficulties are too great to be overcome. While I am prepared to concede that these difficulties are great, I am not willing to admit that they are insuperable. The old adage that necessity is the mother of invention is peculiarly applicable to Saskatchewan's drought problem. Assuredly the necessity is impelling enough to stimulate to action the best engineering skill the country has available. The drought situation in the dry areas of Nevada and California was a challenge that did not go unanswered. The wonderful engineering feats of to-day would in days past have been thought impossible. Will any one say that their necessity was greater than ours?

I refuse to admit defeat until the resources of our universities have been exhausted, until the whole problem has been thoroughly investigated, until every means that human

genius can devise has been tried. I would respectfully suggest that a group of the best engineers on the continent be engaged to devise a scheme of irrigation that will effectively solve our drought question and that a supreme effort be made to implement their recommendations if the cost of the same be at all within the limits of our financial resources.

The very nature of wheat farming is production to the *n*th degree, it demands little and returns little to the soil. We find that after centuries these prairies are as fertile as when first formed and contain all the essentials necessary for growth—all they need is water. In this western country we have a soil that is far from being mined out; a soil that produces the finest type of wheat in the world; a country that deservedly bears the name of the bread basket of the world, a country that produces the best bread in the world; a country that year after year receives the prize for the best wheat grown in the world; a country that does not need any artificial fertilizers or the reinforcement of chemicals. All that it needs is water, and water at the proper time. Why, therefore, should we hesitate to assist nature to overcome physical obstructions? Why not irrigate?

Statistics show the remarkable effect of irrigation on wheat yield. On a section of the Canadian Pacific railway a census of the yields obtained and the water used by a group of farmers shows that the average yield of wheat was 19½ bushels per acre with an irrigation of four inches deep plus rainfall; with two four-inch irrigations, the yields were 30 to 35 bushels and with three four-inch irrigations the yields were as high as 43 bushels per acre. In this district the rainfall was 11·24 inches, of which 9·68 inches fell during the growing season.

Nature itself has created the necessity for irrigation in that portion of western Canada between the Rocky mountains in the west and the province of Ontario in the east, especially the western prairie section, where drought is more frequent than in the central and wooded areas. This region, which is characterized by scanty rainfall, is the northern terminus of a series of plateaux on the eastern side of the Rocky mountains which begins in Mexico, and includes much desert land there and in the southwestern part of the United States. It is frequently referred to as the Great Plains. That portion which is included in the provinces of Alberta and Saskatchewan contain from 40 to 50 million acres. Though arid or semi-arid, the soil contains all the elements necessary for the production of abundant crops—all that it requires is water and water at the proper time.

After the completion of the Canadian Pacific railway in the early eighties there was an influx of settlers to the western prairies, and it was then that Canadian government officials and engineers became interested in the necessity of irrigation. In 1893 a bill was introduced in the dominion parliament dealing with irrigation. In that same year J. S. Dennis, Chief Inspector of Surveys, was commissioned to visit the United States for the purpose of studying and reporting on the irrigation laws of that country. It was upon his information that the Northwest Irrigation Act was passed by parliament on July 23, 1894. To quote from Mr. Dennis' report to the government in 1894:

> The existing climatic conditions, and the necessity for irrigation, have been frequently referred to in the reports of dominion land surveyors employed in surveying this arid region into townships and sections, but it is probably due to the lengthy reports upon this subject and to the persistent advocacy of the principle by Mr. William Pearce, Superintendent of Mines, more than to any other cause, that the public has at last recognized the necessity for irrigation and the benefits to be secured therefrom.

The quantity of water required for irrigable lands depends primarily upon such climatic influences as rainfall, temperature, sunshine and evaporation, and to a less degree upon such factors as time and quantity of application, and the character of the soil and crops.

In the great drought areas of western Canada, there is abundant opportunity for the use of every known method of irrigation that has been tried in the world.

The impounding of flood waters is especially necessary to compensate for deficient rainfall.

The Canadian Pacific Railway Company constructed the largest irrigation project in Canada, extending along its main line between Calgary and Medicine Hat. When the railway was built, it received from the dominion government, as part of the consideration, a land grant of approximately 22,000,000 acres in what now forms the provinces of Manitoba, Saskatchewan and Alberta. This land was to be given in alternate sections, twenty miles on each side of the main line, and it was stipulated that the company might reject any land not well adapted to agriculture, making up the deficiency elsewhere. The company exercised its right by refusing the land between Moose Jaw and Calgary, and in the final settlement it was agreed that the company should take about 3,000,000 acres in a block between Calgary and Medicine Hat and construct an irrigation system upon it. As an indication of its value we find that some farmers who paid $15 an acre for their land have earned enough to pay for it from the sale of one crop. Some of the wheat crops

average from 40 to 56 bushels per acre, and the farmers are also growing clover and alfalfa, and are raising cattle and hogs.

The Deputy Minister of the Interior in 1894 appeared very skeptical as to the feasibility of irrigation as contained in Mr. Pearce's report, and commented, "It will be a long time before settlement will reach the class of country to which Mr. Pearce's suggestions relate." However, it was not long until irrigation was a practical issue, and the next forty years saw the development of irrigation in western Canada. Sixty-three projects are shown as being in operation in 1894, ranging in area irrigated from seven to twenty-five hundred acres.

The most extensive irrigation project in Canada is the system constructed by the Canadian Pacific Railway between Calgary and Medicine Hat. Irrigation development has not been so extensive in Saskatchewan as in Alberta, largely because of the absence of an adequate or readily accessible water supply. A large number of small schemes have been constructed in the southwestern part of this province, utilizing the run-off from the Cypress hills. They are mostly individual floodwater schemes, built at low cost in connection with ranching operations. Some of these date back to 1890 and earlier, but no accurate records seem to be available.

In 1935 irrigation was begun under the Prairie Farm Rehabilitation Act. This Act was passed after we had had five years of the most unprecedented drought. The government provided funds for rehabilitation and irrigation to the extent of three-quarters of a million dollars per year. The present Minister of Agriculture (Mr. Gardiner), under whose department this act is being administered, has done wonders with the increased amounts at his disposal. He has given his time and energy, under adverse financial handicaps, to help in reclamation. We must take a long range view and plan for the future if we are to save the prairies for future generations.

Miss Betty Hudson, writing in the Winnipeg Free Press, states:

> Sixty million acres and the future of millions of people are at the mercy of dust, wind and drought (if we do not do something in the line of irrigation). Who will be bold enough to say that some day desert sands will not bury Regina and Medicine Hat as they have buried the cities of Asiatic and African civilization?

Under this program there is conservation of water, for both stock and irrigation purposes. Engineering and financial assistance has been given to individual farmers for building dug-outs, stock watering dams and small irrigation schemes. Under the Prairie Farm Rehabilitation Act, irrigation projects have been undertaken in Saskatchewan at Valmarie and Eastend, and scores of smaller schemes are in operation.

Of the work accomplished so far and that now under construction by the Prairie Farm Rehabilitation Commission, Mr. T. C. Main, assistant chief engineer for the Canadian National Railway, has this to say:

> I have nothing but praise for what has been done, and I hope the good work will continue. My only complaint is that not enough is being done and not enough money is being made available to have any considerable effect on rehabilitation.

In his report to the Canadian National Railway, Mr. Main suggests that:

> —a board of capable technical men be appointed to investigate the whole drought problem. Such men should be free from political or other influence so that their recommendations should not be guided by political expediency. They would be an advisory body, so parliament would not be bound to carry out their recommendations; on the other hand, as their advice would be public property, it is very likely that those in control would carry out the policies recommended by these experts if such policies were favoured by the public.

Mr. R. O. Sweezey, a prominent engineer in Montreal and a man of whose resourcefulness we have much evidence, has made the suggestion that the government should undertake a huge $400,000,000 irrigation scheme. His plan is to build thousands of ditches throughout the millions of acres of the drought area. He estimates the cost of such a project to be less than two years' losses from drought conditions.

Mr. Sweezey writes:

> The drought situation in western Canada is one which can be completely and effectively cured by the artificial diversion of water through irrigation ditches, captured from the streams which now flow mostly into the Arctic regions. The project is gigantic, but simple and entirely feasible, at a cost which is probably only less than two years' losses incurred by the present drought conditions. This is a matter of engineering opinion based on facts. It is regrettable that the authorities in Ottawa, through the several departments concerned, have not yet completely compiled those facts in such a manner as to formulate definite engineering conclusions. It is also unfortunate that the technical men of the various departments have in the past exhibited only defeatist opinions, and they would seem to have been overawed by the suggestion that a giant engineering undertaking for the handling of water would overcome the then growing menace which has since developed to such an appalling condition.

Mr. Sweezey also suggests that a commission be formed, consisting of technical men

and men with commercial and agricultural knowledge, and that this commission should first ascertain the truth about drought in western Canada and the feasibility of irrigation.

The question is, are we going to adopt a program of small irrigation or are we going to adopt a larger project? Whichever scheme is decided upon, money will have to be expended from the federal treasury. Would it not be much more feasible to finance some irrigation project than to spend large sums of money maintaining thousands of families on direct relief? Our universities failed us in not studying the Palliser report and the drought cycles. Our Research Council failed us in not doing work along this line. If that had been done, we would have obtained some information and we might have at least prevented a national disaster.

The Toronto Globe and Mail in an editorial comment in connection with Mr. Sweezey's huge scheme, states:

> There is no doubt about the extent of the calamity, and there can be no doubt that huge expenditures are justified if the climatic hazards of the semi-arid regions in the south, and even in the north, can be evaded by intelligent forethought. There are at stake the lives and futures of the people settled on the largest continuous tract of arable land in Canada. There is no question that much of this land which is of high fertility is destined from time to time to have all the aspects of desert country if plans are not developed for conserving for future use excess water when it is available.
>
> Think of the difference between $350,000,000 annual production in the prairie provinces in the drought years and a total of $1,000,000,000 in such a year as 1928. Think of what an important part in that difference a crop of 150,000,000 bushels in a bad year like 1937 makes when compared with a crop of from 400 million to 600 million bushels such as western Canada has produced in years of abundant moisture.
>
> There have been no irrigation projects of vast extent in the world which have not been criticized in advance and during their construction by people who say that the money is being wasted and that the results will be negligible. There is now too much history on the other side for that argument to hold. Large parts of the fertile districts of California would to-day be desert but for irrigation. Many of the huge sugar plantations of the Hawaiian Islands would be impossible without irrigation.
>
> Some will say that there is not enough water in the south and north Saskatchewan and other rivers to irrigate the vast extent of land involved. Assertions of that kind from non-technical sources did not deter Australia from embarking on huge projects though her rivers are fewer and the rainfall much less dependable than in western Canada.

In 1857, that great Irishman Captain Palliser, as mentioned before, was sent out by the British government and he reported that the great plains of Saskatchewan were unfavourable for agricultural development owing to the dryness and lack of moisture in the soil, but years afterwards these same plains became the most fertile and productive grain growing areas in the world. It may be that after years of deficient rainfall in the west, a change for the better may be expected, but can we leave things to chance?

Like a great many people, I was rather skeptical of the truth of statements made regarding the drought of southern Saskatchewan. and I decided to get the information first hand. So, accordingly, I travelled over eight hundred miles of the dried out area and found that conditions had not been exaggerated. I found that practically the whole area I visited was a blanket of Russian thistle of unbelievable growth and unbelievable thickness. I did not see one field that would yield more than three or four bushels to the acre excepting a few acres of oats that were irrigated at Valmarie. In the extreme south cactus plants, which frequent only the extremely dry regions, were flourishing. Soil was drifting and in some places had buried fences and blocked the road allowance.

The drought, which has been continuous for eight years, has given westerners a very pessimistic outlook and they are beginning to fear that the west will not be able to stage a real comeback. If this proves to be the case, eastern Canada will suffer a permanent loss from the result of economic disaster in the west.

The Montreal Herald on December 21 last contained an editorial, "What the West Means to the East."

> Lest we forget what western Canada means to eastern Canada, and what the harmonious union of both means to the continued existence of British North America as the home of a people free to go about their peaceful avocations with none to make them afraid, let us look at Canada as a whole for a few moments.
>
> First, look at it in the light of the land-hungry nations. What would Germany or Italy not give to gain possesion of the three prairie provinces of Canada. Provinces which not only constitute one of the choicest agricultural territories in the world, but are richly endowed in metals, coal and oil?
>
> Now let us look at the history of these provinces.
>
> In the first decade of this century the filling up of the west by agricultural settlement exerted a profound influence on the general development of the dominion. Vast amounts of capital were attracted to Canada for the construction of transportation and other facilities and the building up of such cities as Winnipeg, Regina, Saskatoon, Calgary and Edmonton.
>
> Where was this money spent? Largely in the east for materials—for the steel and rolling

stock for the railways, for agricultural implements for the new farms, home furnishings and clothing.

This activity laid the foundation for an era of factory building that contributed greatly to the growth of population and prosperity in the eastern provinces.

What built the Angus shops in the east end of Montreal and contributed much to the activity of the Point St. Charles shops in the west end?

The trade of the western provinces.

What built up the grain ports of Fort William and Port Arthur, and made Montreal one of the world's greatest seaports?

The grain trade of the western provinces.

What for years has been the biggest single factor in our export trade?

The western wheat crop.

What has given the greatest amount of employment to men engaged in the inland and ocean shipping and railways centering upon Montreal?

The western wheat crop.

What single product has brought more ready cash than anything else into this country to be spent on the products of industrial Quebec and Ontario?

The grain crops of the western provinces.

Italy would love to include the western provinces in the Roman empire. Germany would revel in their possessions.

And, coming nearer home, there is a general feeling in the west that the United States would be ready to assume all the obligations of the prairie provinces in return for the privilege of making them the 49th state of the Union.

Yet here in eastern Canada are some who are talking as though the western provinces were a liability instead of an asset—some who would grudge generous help to these provinces to tide them over the troubles caused by a depression that hit these provinces harder than any other part of the dominion.

Mr. SPEAKER: Order. The hon. member has already occupied forty minutes.

Mr. LAPOINTE (Quebec East): Go ahead.

Mr. SPEAKER: With the consent of the house.

Some hon. MEMBERS: Yes.

Mr. FLEMING: Fortunately, there is still hope for the great plains of the west if engineering science is to be relied upon, and there is reason to believe that these years, so full of disappointment and misery, are passing into history, and a more cheerful story is about to unfold.

The rumblings which our demands in the west have produced in the east, the repercussions this question has already produced among men in positions of responsibility, would indicate that this matter unless faced in a spirit of goodwill and understanding might easily have serious constitutional consequences.

Saskatchewan is grateful for the assistance which has been given her by sympathizers from one end of the dominion to the other. Too much cannot be said for the kindness and the generosity of the various welfare organizations that sent clothing and food in such quantities to the people of the stricken areas. The work of the government in the matter of relief has been splendid and Saskatchewan has no complaint to offer in that respect.

Her fear, however, is that her sister provinces and the people of the country as a whole are not sufficiently impressed with the necessity for a permanent solution of her drought problem. It is the conviction of the people of Saskatchewan that this is a national issue and one which should be faced and permanently disposed of.

The whole issue, as hon. members can see, is fraught with danger to the integrity of the nation and with peril to her economic future. Magnificent in the days of her prosperity, she is not cast down in the days of her adversity. The potentialities which were hers when she entered confederation over thirty years ago are hers to-day.

The spirit in which she was conceived is the spirit which has kept her unerringly on her course ever since.

Solve the problem permanently; reclaim her drought areas through a comprehensive program of irrigation, and Saskatchewan will return to the economic fold, in a manner that will restore the confidence she inspired, and once again we shall be able to say:

> These are the gardens of the desert, these the unshorn fields, boundless and beautiful, for which the speech of England has no name, —the prairies.

On motion of Mr. Lapointe (Quebec East) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 4, 1938

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 15, to incorporate Niagara Falls Observation Bridge Company.—Mr. Damude.

FARMERS' CREDITORS ARRANGEMENT ACT

AMENDMENTS AS TO DEFINITION, BANKRUPTCY PROCEEDINGS, REHEARING, ETC.

Mr. T. C. DOUGLAS (Weyburn) moved for leave to introduce Bill No. 16, to amend the Farmers' Creditors Arrangement Act, 1934.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I desire to advise the hon. member and the house generally that the government intends to introduce a measure having as its object the amendment of the Farmers' Creditors Arrangement Act. As I indicated to the hon. member for Leeds (Mr. Stewart) on the second day of the session, the matter is under consideration. Although I do not know what is contained in the bill for which first reading is asked by the hon. member for Weyburn, I am quite sure it cannot embrace all that the government has in mind. I would therefore request that he, in company with other members with intentions similar to his own, should consider allowing the bill to stand, pending the introduction of a government measure which must be preceded by a money resolution. The hon. member for Wood Mountain (Mr. Donnelly) and some others have suggested the introduction of similar bills. However, the hon. member for Weyburn will have to decide what he wishes to do.

Mr. DOUGLAS (Weyburn): I wonder if it would make any difference to the minister if the bill were introduced and permitted to stand. It could be dropped in the event of the government bringing down legislation.

Mr. DUNNING: Yes.

Motion agreed to and bill read the first time.

DRILLING OF UNIFORMED CLASSES

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, in answer to the question directed to me yesterday by the hon. member for Winnipeg North Centre (Mr. Woodsworth) I desire to make a statement.

Section 99 of the criminal code empowers the governor in council to prohibit drilling, military exercises and training without lawful authority, and makes it a criminal offence. Such a proclamation was issued on September 21, 1917, and has never been repealed. Section 99, therefore, is in force in all parts of Canada at the present time. By virtue of the proclamation of 1917, issued under the authority of the then section 98 of the criminal code, the present section 99, it is a criminal offence for any persons to carry out such military exercises, movements or evolutions without lawful authority, and if an offence is being committed it is of course the responsibility of the provincial authorities to prosecute, because the administration generally of the provisions of the criminal law rests with the provinces.

[Mr. Douglas.]

In the circumstances, however, the question of unlawful drilling and military training and exercises by political groups is one which may involve the dominion as a whole and, therefore, the dominion government will, in addition to any steps which may be taken by any provincial authority, cause an investigation to be made. If as a result of such investigation it is considered that an offence against the criminal law, as above referred to, is being committed by fascists, communists or otherwise, the government will cause the necessary proceedings to be initiated by way of having such information and complaint laid as the facts disclosed by the investigation may justify, and otherwise the government will furnish such reasonable assistance to the provincial authorities as they may require in connection with the prosecution.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 3, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, my purpose in rising to take part in this debate is merely to discuss briefly two or three matters which have been referred to in the speeches of my right hon. friend the leader of the opposition (Mr. Bennett) and other hon. members, especially those who sit in the far corner.

The first matter I should like to refer to is the reference to the Supreme Court of Canada of three bills which had been reserved by the lieutenant governor of Alberta. There was also the matter of the disallowance of three statutes which had been passed by the province of Alberta a few months before the reference was made. Apparently my right hon. friend is not very fond of references to the Supreme Court of Canada, although he indulged in that practice when he was the head of the government.

Mr. BENNETT: Very seldom.

Mr. LAPOINTE (Quebec East): On a few occasions. My right hon. friend said that the referring of these matters to the Supreme Court of Canada would prove dangerous to the preservation of the powers of the central government. As his authority he quoted from a letter which Sir John A. Macdonald had written in 1889 to the then Minister of Justice, Sir John Thompson. It is true that at that time the Su-

preme Court Act had been passed, but it did not contain section 55 which empowers the governor general to make these references.

At the interprovincial conference of 1888 Mr. Mercier succeeded in having a resolution adopted, section 2 of which read as follows:

That it is important to the just operation of our federal system, as well that the federal parliament should not assume to exercise powers belonging exclusively to the provincial legislatures, as that a provincial legislature should not assume to exercise powers belonging exclusively to the federal parliament; that to prevent any such assumption, there should be equal facilities to the federal and provincial governments for promptly obtaining a judicial determination respecting the validity of statutes of both the federal parliament and provincial legislatures; that constitutional provision should be made for obtaining such determination before, as well as after a statute has been acted upon; and that any decision should be subject to appeal as in other cases, in order that the adjudication may be final.

The question under consideration was the settlement of the Jesuits' estates, a very important matter which had entered the political field. Sir John A. Macdonald did not view with favour the request which had been made, as was indicated in his letter to Sir John Thompson. In 1890, subsequent to the date of the letter of Sir John A. Macdonald quoted by my right hon. friend, the Hon. Edward Blake moved an amendment to the motion to go into supply, which read as follows:

To leave out all the words after "That"—and insert the following:—"it is expedient to provide means whereby, on solemn occasions touching the exercise of the power of disallowance, or of the appellate power as to educational legislation, important questions of law or fact may be referred by the executive to a high judicial tribunal for hearing and consideration, in such mode that the authorities and parties interested may be represented and that a reasoned opinion may be obtained for the information of the executive."

Mr. CAHAN: What was the date of that?

Mr. LAPOINTE (Quebec East): April 29, 1890. Mr. Blake made a very learned speech in support of his amendment, from which I should like to quote a few words. I read from Hansard of 1890, page 4088, as follows:

Now, sir, in the exercise of this power of disallowance by the government, political questions will, or at any rate may, probably, always arise. Questions of policy may present themselves, that is questions of expediency, of convenience, of the public interest, of the spirit of the constitution or of the form of legislation. All these are clearly, exclusively for the executive and legislative, that is for the political departments of the government. But it is equally clear, that when in order to determine your course you must find whether a particular act is ultra or intra vires, you are discharging a legal and a judicial function. What do you do? You proceed to interpret the Constitutional Act, and to declare its meaning; you proceed to interpret the provincial act under consideration and to declare its meaning; you proceed to compare the two statutes so interpreted and declared; and you proceed, finally, to conclude whether or not the law conflicts with, or transcends the powers which are conferred upon the legislature which passed it. Nothing that can be conceived partakes more exclusively of the character of a legal and judicial operation than what I have just now described.

And then on page 4089:

My own opinion is, that whenever, in opposition to the continued view of a provincial executive and legislature it is contemplated by the dominion executive to disallow a provincial act because it is ultra vires, there ought to be a reference; and also that there ought to be a reference in certain cases where the condition of public opinion renders expedient a solution of legal problems, dissociated from those elements of passion and expediency which are, rightly or wrongly, too often attributed to the action of political bodies. And again, I for my part would recommend such a reference in all cases of educational appeal—cases which necessarily evoke the feelings to which I have alluded, and to one of which, I am frank to say, my present motion is mainly due.

He said, again:

But my proposal is by no means radical or revolutionary, compulsory or general. It is but an enabling proposition; it but empowers the executive to obtain—by a procedure replete with the essential requisites for the production of a sound opinion—the views on legal questions of legal authorities, leaving to the executive, so aided, the responsibility of final action. I have an absolute confidence that, if my proposal should be declined, the first persons to regret that decision will be hon. gentlemen opposite. My opinion is, that this is a proposal eminently helpful to the executive of the country at this time; but it is eminently helpful to them because it is eminently helpful to the good government of this country; and it is in this spirit that I move the amendment which I now submit to the judgment of the house.

Sir John A. Macdonald, then prime minister, replied, and his remarks will be found at pages 4093 and 4094. He started by saying that at first the resolution did not appeal to him, but after careful consideration and study this was the conclusion he had come to:

Whenever the question of disallowance is raised on important matters and the reasons alleged for disallowance are that the act itself was ultra vires, that is, that it was beyond the competence of the legislature which passed it, I coincide with my hon. friend in believing that the crown should have the power of submitting such a question to the courts, and give the opportunity to the authority—be it legislative or executive, which has passed the statute, to appear before such tribunals, and that all parties interested, or that the court should think were interested, should have the opportunity of being heard. Of course my hon. friend

(Mr. Blake), in his resolution, has guarded against the supposition that such a decision is binding on the executive. It is expressly stated—and that is one of the instances which shows that this resolution has been most carefully prepared—that such a decision is only for the information of the government. The executive is not relieved from any responsibility because of any answer being given by the tribunal. If the executive were to be relieved of any such responsibility, I should consider that a fatal blot in the proposition of my hon. friend. I believe in responsible government. I believe in the responsibility of the executive. But the answer of the tribunal will be simply for the information of the government. The government may dissent from that decision, and it may be their duty to do so if they differ from the conclusion to which the court has come.

There is another point in regard to which the court must be guarded in the measure which will be introduced—not this session but I hope next session—based on this resolution, and that is that the answer, whatever it may be, should be considered in the nature of a judgment so far as to allow of an appeal to the judicial committee of the privy council. With these remarks, I will only say further, that I thank the hon. gentleman for having brought this resolution before the house, as I concur with it generally, though holding the right with a free hand to frame the measure which will have to be brought down to parliament in accordance with it.

In the following year, 1891, as a result of that resolution which had been unanimously adopted by parliament, the "Act respecting the Supreme and Exchequer Courts," by section 4 of chapter 25 of the statutes of 1891 was amended by the substitution of a new section for section 37. This new section was the prototype of section 55 of the present Supreme Court Act. So, Mr. Speaker, this power of referring legal questions to the Supreme Court of Canada was placed in the act after parliament, on the resolution of Edward Blake, supported by Sir John A. Macdonald, had thought that this would be the best way to deal with such questions as the disallowance or otherwise of provincial statutes which might be considered ultra vires or to trespass on the powers of parliament. My right hon. friend (Mr. Bennett) says: Yes, but this was not a statute that you referred; it was merely a useless piece of paper, an incomplete document.

Mr. BENNETT: I pointed out that there is power to do it.

Mr. LAPOINTE (Quebec East): The Supreme Court Act was not framed for the purpose, nevertheless the section which gives the power to the governor in council, section 35, says:

> References by Governor in Council
>
> Important questions of law or fact touching
>
> (a) the interpretation of the British North America Acts, or

> (b) the constitutionality or interpretation of any dominion or provincial legislation; or
>
> (c) the appellate jurisdiction as to educational matters—

And so on. And then (d):

> (d) the powers of the parliament of Canada, or of the legislatures of the provinces, or of the respective governments thereof, whether or not the particular power in question has been or is proposed to be exercised.

So this provision was put in the act for the special purpose of enabling the government to do what has been done in the present instance, and I may add that it was done after the government of the province concerned had asked the governor in council to do it before reaching a conclusion in the matter.

Mr. BENNETT: But that was not so with respect to all the matters referred.

Mr. LAPOINTE (Quebec East): No, but it was so with regard to two of them, and at the same time the governor in council was asked to refer the third question, the power of disallowance, to the court. Certainly if the contention of the province with respect to the power of disallowance had been upheld that would have affected all the bills.

Then my right hon. friend, and I am grateful to him for the moderation with which he dealt with this question—he even approved of the course of the government with certain reservations—said that he approved the disallowance of the three statutes which had previously been disallowed; but he said, very courteously, that as far as he was concerned, while he thought we should have disallowed the act which refused access to the courts, we should, if I remember his words aright, have let the bankers fight out the other bills themselves.

Mr. MITCHELL: Hear, hear.

Mr. LAPOINTE (Quebec East): My hon. friend says, "hear, hear." Perhaps he does not know that this denial of access to the courts was contained not only in one bill but in every one of the three statutes. The statute concerning banking included a provision denying to the bankers or other interested parties the right to go to the courts to test its validity, and the other statute for licensing bank employees contained a similar provision. If that were the only cause for disallowance it would apply to the three statutes because that provision permeated the three measures which had been enacted.

But there is more than that. I am free to admit that I thought, and the officers of my department thought, that perhaps this last enactment was less objectionable than the other two, because the two statutes con-

cerning banking were a direct and straight invasion of federal powers, coming in conflict with federal policies and federal legislation, and were therefore subject to disallowance under all the authorities if we were to follow the decisions in matters of this kind which had been reached by every minister of justice since confederation. I may add that before this power of disallowance was exercised, the premier of the province was asked whether he would agree to suspend the operation of those statutes pending a reference to the Supreme Court of Canada. This he bluntly refused to do. He said that the statutes would be enforced immediately; and of course there was no other course to follow on the part of the governor in council.

But my right hon. friend says, although approving of disallowance, that it was a discrimination against Alberta because the statutes of Ontario with regard to the power contracts have not been disallowed. Since my right hon. friend, who is a great authority, has made that statement, of course all the hon. gentlemen on the Cooperative Commonwealth Federation and social credit benches have had the same criticism to offer of the action of the government.

Mr. MITCHELL: He spoke first.

Mr. PELLETIER: I thought of it before he did that.

Mr. LAPOINTE (Quebec East): What is that?

Mr. PELLETIER: We felt that way before that.

Mr. LAPOINTE (Quebec East): Oh, you did think of that before? I congratulate the hon. member.

An hon. MEMBER: Following the leader.

Mr. LAPOINTE (Quebec East): May I say that there have been since confederation, prior to the consideration of this legislation which is being dealt with, one hundred provincial statutes disallowed, seventy-two between 1867 and 1900, and twenty-eight from 1900 until this present instance. Thousands of them were submitted after a petition had been presented for their disallowance, but the governor in council refused to disallow them.

Mr. BENNETT: But a number of them were amended in consequence of representations made.

Mr. LAPOINTE (Quebec East): And a number of them were amended after representations by the Minister of Justice to the provincial governments. I think I am free to say that, of those hundred statutes, not two are identical. There are differences in every statute. The circumstances are not always the same; the circumstances which must enter into line when the question has to be decided differ in almost every case. I think I can easily show the difference between the Ontario statutes and the statute of Alberta. In respect of the Ontario acts which were challenged, here is what I had the honour to say in my recommendation to the governor in council:

> With regard to the allegation that the said act is ultra vires the legislature of the province, the undersigned is of opinion that this allegation, if well founded, would not constitute a sufficient ground for disallowance. There are cases in the earlier years of confederation in which acts were disallowed on the ground that they were ultra vires, but the more modern view is that if the act be questionable only as to its validity—

Mark those words.

> —and not on the ground that it interferes with any dominion policy or interest, the question of its validity should be left to the determination of the courts. To disallow a provincial statute solely upon the ground that it is ultra vires would be to subject the provinces to the findings of the law officers of the crown upon the questions of law involved and deprive them of the right to have such questions judicially determined. Presumably the inclusion in the act of a provision that no action or other proceeding shall be brought against the said commission founded upon any such contract will not prevent the companies from having the validity of the act judicially determined by the courts of Ontario, because if the act is attacked upon the ground that it is ultra vires, surely none of its provisions could be pleaded as a bar to the judicial determination of such question. The undersigned is therefore clearly of opinion that the act should not be disallowed on this ground.

We took the stand there that the courts could redress the grievance, if there was one, with regard to the constitutionality or the validity of the acts. What has happened since proves that we were right in that assumption because the acts were successfully challenged before the courts as a result of a judgment rendered by the court of appeal of Ontario and appealed to the privy council. But the question has been settled since to the satisfaction of the parties, which shows that we were right in refusing to interfere in this matter. There was in this case, as is stated in another paragraph of the recommendation I submitted to the governor in council, no question of invasion of federal jurisdiction or federal policy or federal power. As I said last year, touching the question of unfairness or injustice, I share on this point the views expressed by Sir Allen Aylesworth when he was minister of justice. It is for the electors of

the province to decide whether the legislation is unfair or unjust and to vote against the government that enacts such legislation.

Listen now, Mr. Speaker, to one or two of the reasons submitted in my recommendation to the governor in council with regard to the Alberta legislation.

Mr. WOODSWORTH: Just before the minister passes from that, am I interrupting if I ask—

Mr. LAPOINTE (Quebec East): I am afraid my forty minutes will not be sufficient.

Mr. LAWSON: We will give you time, all the time you want.

Mr. LAPOINTE (Quebec East):

To parliament the British North America Act thus confided powers to establish and regulate the monetary system of Canada, and the powers thus assigned are exclusive and paramount and the provincial legislatures are wholly without authority to interfere with the exercise of such powers. The statutes of Alberta in question constitute an unmistakable invasion of the legislative field thus assigned to parliament. They conflict with dominion laws and virtually supplant dominion institutions designed by parliament to facilitate the trade and commerce of the whole dominion. While the undersigned is of opinion that no project or policy of a provincial legislature should be interfered with by exercise of the power of disallowance merely on the ground that measures to promote such project or policy are of doubtful constitutional validity, a distinction is to be made where the legislature deliberately attempts to interfere with the operation of dominion laws and to substitute laws and institutions of its own for those legitimately enacted and organized by parliament, and this is particularly true where the legislature has denied recourse to the courts of justice.

Yet there is some good thing in all things that are not so good. It is interesting for us to be told that we are discriminating in favour of the province of Ontario; for quite different statements have been made elsewhere.

In the course of the debate many hon. members—not my right hon. friend, because he is too great a parliamentarian to do so—have spoken in violent terms of the "Quebec padlock law" and denounced me for not having acted with regard to it. Perhaps they will be surprised to hear that, apart from the telegrams and resolutions of every description which have been sent to me, the petition, the official, the regular and only one, that has been forwarded for the disallowance of that legislation was received three or four days ago; and the question has to be considered in the time during which a decision must be reached.

Mr. BENNETT: When does the year expire?

[Mr. E. Lapointe.]

Mr. LAPOINTE (Quebec East): At the end of March. I do not complain in that respect, because it will not affect the work I have to do. I do not think, however, that it is becoming, that it is quite proper, in regard to a matter that partakes of judicial interpretation—and the authorities have even discussed the question whether the function of the Minister of Justice in a matter of this kind is not judicial rather than legislative—that I should be abused before I have considered the matter, as I have been during the course of this debate. I do not think it is fair; I do not think it is conducive to the proper discharge of this part of the functions of government.

In this connection I have been asked to receive delegations, who wish to come and press upon me the advisability of recommending the disallowance of the legislation. Well, that is not the way in which a matter of this sort must be dealt with. I will not receive any delegation either for or against; and I may say to those who make the request that it would be very easy for those who think otherwise to fill all the halls of Ottawa, including the drill hall, with people who do not share the views of the persons who have made the request. It is not by such pressure either upon the Department of Justice or upon any other branch of the administration that a matter of this kind should be dealt with.

I wish now to deal with the question of unemployment insurance. The action of the government in this regard has been criticized both by the leader of the opposition (Mr. Bennett) and by the hon. member for Winnipeg North Centre (Mr. Woodsworth), and others, with respect to the preparation of an amendment to the British North America Act, with a request to the provinces to agree to such an amendment being made. The hon. member for Winnipeg North Centre has said that we should assert our power. He has said that since the imperial conference of 1936 Canada, as a nation, has attained equality in the British commonwealth, and I agree with that. But, he adds, the condition in regard to our constitution is one of inferiority. I cannot admit that this apparent inferiority is really a condition of inferiority, in view of the fact that the status of our constitution is what it is by reason of the will of the Canadian people and not because of the will of any superior authority who wishes to control and to dominate the Dominion of Canada.

When the Statute of Westminster was enacted, with the proviso that there should be nothing therein to apply to the repeal, amendment or alteration of the British North America Act, that proviso was inserted because the Dominion of Canada wanted it and not

because the imperial parliament desired to have it. I can assure my hon. friend that the imperial parliament would be most happy if we could rid them of this necessity of having perhaps to decide as between the parliament of Canada and some provinces on the question of an amendment. The provision is there because, under our constitutional arrangement, until we ask that it be abolished it must stand. My views in the matter are well known and I have not changed them in any particular. I think that Canada should have the power to amend its own constitution. We are the only British dominion that does not possess this power; indeed, we are the only country with a federal system of government that has not in some way the power to change in some details its constitutional charter. The United States, Mexico, Venezuela, Brazil, the Argentine Republic, Australia, Switzerland—all these are federal states and their respective constitutions foresee the possibility of amendment and determine the methods and conditions that shall govern the making of amendments.

Mr. CAHAN: They are usually amended by presidential decrees.

Mr. LAPOINTE (Quebec East): That might be a fine point for discussion, but it is not in the constitution of the United States. To my mind it is a necessity and a safeguard, and all the constitutional authors recognize and teach it.

I am aware that many Canadians seem to believe that a constitution is something sacred, something intangible, a sort of ark of the covenant which nobody should look at and still less touch without incurring the gravest penalty. With all possible respect for the sincerity of those who entertain this view I am compelled to say it is absurd. A constitutional charter, whatever it may be, even though it meets with the unanimous approval of all the citizens of a state, cannot preclude future alterations in the system which it has established. National sovereignty is unprescriptible, and a generation has no metaphysical right definitely to bind future generations and to deny to them the competence which they themselves possess. It cannot fix in advance and absolutely the fate of the political and social realities of the future. Reforms must be made difficult, but not impossible, and their achievement must be subject to modalities. procedures and delays. But when a constitutional reform is required and is desired by the great majority of the citizens of a country, I am afraid that prohibitions which may have been enacted twenty-five, fifty, sixty or even a hundred years before cannot be a permanent obstacle. They will be ignored, or people will find a way to get around them. I warn all my fellow citizens in all parts of Canada that to insist on making the constitution rigid and inflexible, and to prevent orderly change or improvement, is to run the risk of having it violated in a disorderly way when the political forces opposed to it are strong enough to do so. Doctor William Bennett Munro, a Harvard professor and originally a Canadian, said in a remarkable book on European governments that a constitution should not be either too easy or too difficult of amendment. If it is too easy it ceases to be a guarantee of order. of stability, of continuity in the public life of the nation; if it is too difficult it becomes an obstacle to progress and national advancement, and would be used as an excuse for revolutionary action.

The British North America Act is a statute of the imperial parliament. No method of changing it is provided. The result is that whenever an amendment is required there has to be another imperial statute. Then in order to have such a statute enacted is it necessary to have the consent of the provinces, all of them, or a majority of them? Is it necessary that this consent should be expressed by resolution of the legislature, by order in council, or by an expression of view by the premier of the province? My right hon. friend has discussed this side of the question; I do not know any more than he does. The present system is vague and uncertain; there is no definite method laid down of achieving what we might consider a desirable improvement. We do not know.

My right hon. friend favours a national convention to discuss this matter. The idea has some advantages, perhaps many, but there are also objections. But I agree with him, I agree with the hon. member for Winnipeg North Centre; I agree with all the public men who have had anything to do with the affairs of this dominion during recent years and who have contended that a change must be made; that we must find a way of ending the rigidity which prevents the Dominion of Canada from enacting legislation which we may believe to be necessary for the national progress and for the good of the whole country. How will that be done? The hon. member for Winnipeg North Centre appealed to me. I am willing to do anything to achieve this result. I have already expressed my views, and I have been instrumental in placing them before representatives of the various provincial governments. To reach a successful

conclusion in this matter I am willing to do anything which commends itself to my judgment, and I hope that this parliament will not end before some progress is made in that direction.

But meanwhile we have this question of unemployment insurance. It is being discussed at great length in my own province at the present time, and I read in the press this morning some pretty violent words which were uttered in the legislature of Quebec yesterday in regard to the matter. May I say that unemployment insurance seems to be desired by a vast majority of the people of Canada? It has been in the platforms of all parties for many years; the provinces themselves have expressed the view that we should have unemployment insurance. In 1933 the then government of the province of Quebec appointed a commission to study social assurances, of which Professor Edouard Montpetit of the university of Montreal was president. There were representatives upon it of the various labour unions, as well as of the employers. His Excellency Bishop Georges Courchesne of Rimouski was one of the distinguished members of that commission. I have their report here. I will translate this sentence from the conclusions—

Mr. HEAPS: What is the date of the report?

Mr. LAPOINTE (Quebec East): December, 1932, but it was published in 1933. It says:

> Unemployment insurance, though under the law it comes within provincial jurisdiction, and although in theory it might be applied in the sphere of provincial administration, cannot effectively be organized, for the reasons given in this memorandum, otherwise than in the national field.

The commission stated very clearly that although they favoured it they could not recommend its adoption by the provincial government because it could be effective only if made a national scheme. When my right hon. friend enacted his unemployment insurance act we who were then on the other side of the house claimed that the matter was provincial in scope, that the federal government did not possess the power to enact such legislation, and that it would be referred to the courts if a change of government took place. This we did. The Supreme Court of Canada decided by a majority of four to two that the act was invalid because it encroached upon provincial authority. The Judicial Committee of the Privy Council affirmed the decision of the Supreme Court of Canada. I confess that I cannot very well understand my right hon. friend when he says that the case was not argued, or that admissions were made giving up the whole thing. When the case was argued before the Supreme Court of Canada the counsel for the dominion were the present chief justice of Ontario, assisted by Mr. St. Laurent of Quebec, both past presidents of the Canadian Bar Association, as is my right hon. friend, and also by Mr. Plaxton, a very efficient and brilliant officer of the Department of Justice. Certainly the argument was made as strongly as possible and, before the decisions were given, my right hon friend himself said that he could not find fault with the counsel appointed by the dominion government.

Before the case was argued before the privy council Mr. Rowell had been appointed chief justice of Ontario, and we appointed in his place Mr. Robertson of Toronto, who, as everybody knows, is an eminent and distinguished counsel. The privy council merely supported the views of the Supreme Court of Canada. I never could understand why the privy council was so strongly attacked after that decision had been given by them, because after all they merely said the same thing that the majority of the Supreme Court of Canada had said.

Mr. BENNETT: It was for the reasons they gave.

Mr. LAPOINTE (Quebec East): I have here the report of the privy council in which I find something rather interesting. When one listens to the violent protests made in some quarters about trespassing and encroaching upon the rights of provinces, one has a desire to know all the facts. Do you know, Mr. Speaker, that when the reference was argued before the Supreme Court of Canada, Quebec was there represented in the defence of its rights, and argued that the law was ultra vires? Mr. Geoffrion represented the province of Quebec on that occasion. But when the case was argued before the privy council there had been a change of government in Quebec, and Mr. Geoffrion's mandate had been revoked. A gentleman named, I believe, Mr. Monette, was sent to represent Quebec, and apparently he had instructions to appear only in connection with the natural products marketing case. That was the only one, according to the reports, and according to the information I received from my officers, in which the province of Quebec was represented before the privy council. Do hon. members know that on the unemployment insurance case Quebec was not represented, the only provinces to have representation being Ontario and New Brunswick?

Ontario—and I am sure we will not have difficulty in securing Ontario's agreement to the amendment—was represented by Mr. Roebuck, the then Attorney General, and Mr. I. A. Humphries, K.C. Here is what Ontario said before the privy council, according to the report:

> Ontario does not take quite the same view of all the matters as the dominion takes. Ontario desires to support this act, however, because it is felt that it is in the public interest both in the provinces and in the dominion as a whole. Ontario's attitude, therefore, is that it is desirable to find means, if that is possible within the four corners of the constitution, by which the act may be supported as a matter within dominion jurisdiction. It is submitted that the legislation is within the overriding power of the opening words of section 91, and is also within the residuary power—in a sense there is a distinction between those two.

Then, the last words were:

> A subject of nation wide legislation may and does incidentally affect the provinces. The scheme of insurance being nation wide and not possible of enactment in the provinces, it is not civil rights in the province at all.
>
> With regard to the dominion right of taxation, it is not conceded that the dominion may tax everything everywhere and that the provinces are left solely to what is left, but no objection is taken by Ontario to this particular taxation for this particular purpose.

Mr. CAHAN: Is that a summary in the report, or a shorthand report?

Mr. LAPOINTE (Quebec East): A summary in the report. The report goes on to show that the province of New Brunswick is the only one which, through its Attorney General, Mr. McNair, defended the provincial jurisdiction in the matter before the privy council. The only other province represented was Ontario, and Ontario supported the validity of the legislation. Quebec did not appear, and did not say a word.

I am at a loss to understand now the indignation of gentlemen who to-day claim that this tyrannical government at Ottawa wants to transgress upon the rights of the province of Quebec, and to trespass upon her provincial constitutional powers, when we courteously and politely ask them whether they will agree to a little amendment to give the federal parliament the right to amend the constitution for the purpose of enacting an unemployment insurance scheme. Two years ago the same gentlemen, without being asked and without being invited to give any consent or to agree to anything, were quite pleased to accept legislation enacted without their participation.

And now we are the persecutors. We are the ones who, through the constitution, are trying to inflict this persecution on the province of Quebec. Well, I am not impressed by these denunciations, I must admit, and I do not think the country or the electors in the province will be impressed by them, either.

Perhaps I should have done so at the outset, but if I am not too late I should like to congratulate the mover and the seconder of the address upon their splendid presentations. Both are worthy acquisitions to the house. Of course I am better acquainted with the hon. member for Lotbinière (Mr. Francœur), who has been my life long friend, and I take this opportunity to congratulate him upon his election. He has shown all the qualities I have always known him to possess. His stand in the campaign was fearless, courageous and non-equivocal, and he received a splendid support from his electors.

I am grateful to those who urged the electors of Lotbinière to put up an opposition. I saw a very worthy article in the press to the effect that it was good for a government to have an opposition, and that the election should not be allowed to go unopposed. That statement in the press was of great service to us, and I am grateful that the electors of Lotbinière, in the province of Quebec, have had a chance to declare their stand on the questions submitted to them. It was a test, and I am pleased that our friends from the other provinces, who were a little nervous as to what Quebec thought and felt, have been reassured. They know now that the noisy expressions of some groups do not represent the sane minds in the population of that province.

The majority was large, indeed. But, so far as the issues of the campaign are concerned it is still larger than it appears, because there was no Conservative opposition. When one reads the figures as to votes he will find that the votes given to the opposition candidate, who certainly did not represent Conservative ideas or Conservative views, were given at places where Conservative voters were in the majority. That is explainable—they did not like his ideas. The platform of this gentlemen was not supported by the Conservatives of the province of Quebec any more than it was supported by the Liberals, but many Conservatives voted for him because they felt they were against the government anyway. It is for these reasons that I believe we should have in these by-elections either a straight contest or none at all, in order that Conservatives may not get into the bad habit of voting for anybody.

Mr LAWSON: Anybody other than a Liberal.

Mr. LAPOINTE (Quebec East): Anybody other than a Liberal, yes. The result was a

good thing for democracy. We are living in difficult times; attacks are being made upon democratic institutions and parliamentary representation. Many of them are being made in my own province. Some of these people do not seem to realize that it is dangerous to attack democracy and parliamentary institutions. If they succeed in destroying the influence of parliament they do not know what the result will be. They may believe that their own system will prevail, but they are taking the chance that the system which will finally prevail will be one which they themselves abhor.

As I said in Lotbinière, those who attack democracy in this way are in fact protected by democracy. If this was a totalitarian state and they said the things which they have said and which they have printed in their newspapers, they would be immediately purged—I do not know whether that is the correct word to use.

Mr. BENNETT: That is the Hitler word.

Mr. LAPOINTE (Quebec East): That is what he would do. But we live in a democracy and we do not treat our opponents in that way. They are quite safe to carry on their campaign—against me at all events, because I am not bothered by what they say.

Democracy has made Canada what it is to-day. It is the only possible system of government for this country. If I may be permitted to single out one country, immediately a dictator took office in Germany his first act was to do away with all the state legislatures. There was no longer a federal system, there was only one government, and that government was himself. I wonder how my fellow citizens of Quebec would like it if we had a system under which the provinces would disappear, where a nazi or totalitarian form of government in Ottawa would direct everything and everybody?

May I say another word in conclusion? Those who speak against democracy speak against parliament. They speak against the parliament of Canada. While I hate to say this myself, next week I enter my thirty-fifth year as a member of the House of Commons. During that time I have come in contact with gentlemen from every section of this country. I have met members of every trade and class, men from the prairies and the farms, men from the large cities and small towns. Many of these men have had ideas different from mine. They have had different visions, different views, different tastes, different talents, but I am proud to say that you could not find anywhere any body of men, any association or any group which surpasses the parliament of Canada for love of country and willingness to serve it at all times. We may differ in our methods, but we are all animated with the same desire to serve our fellow men.

This parliament is Canada on a reduced plane. It is the voice of Canada that is heard here. It is here that the will of the people asserts itself. Our parliamentary institution is not perfect; there is need for improvement, but to abolish it entirely would make conditions much worse. We must look towards the future, not back to the past. No matter what the agitators and theorists may say, if we overcome our present difficulties it will be because of the work of the members of this parliament. Sometimes we fight among ourselves, but out of it all comes something advantageous to the people of this country.

We do not want a dictatorship in this country. Our future can be secured only if our people are free to exercise their unfettered influence upon those who sit in places of power. It is for us to show the world that Canada is not a reactionary and degenerate democracy, but a country that is self-disciplined, free and rational and wholly prepared to face the future with full confidence and faith in its destiny.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I do not intend to follow my right hon. friend the Minister of Justice (Mr. Lapointe) in detail, as I have no desire at this time to discuss the internal politics of the province of Quebec. I listened to the radio speeches of three members of the government who spoke in the campaigns in Lotbiniere and St. Henry. I was pleased, too, with the change of temper and tone of utterance of these gentlemen as compared with what I had heard some years ago when for being even slightly less zealous for Canada's defence I was assailed and driven out of public halls in the province of Quebec. There has been a great change not only in the temper but in the tone of their public utterance during recent years, and I congratulate the three members of this government, who participated in those elections, upon that change, except that I think they did in St. Henry lay special stress upon the benefit of public works—the tunnel under the canal, the fifty million dollar expenditure on the Canadian National station, and other similar matters which I thought were extreme suggestions to the electorate.

But I wish to discuss another matter, and in that I do not intend to enter upon a discussion of the personal relations or of the personal opinions of the present premier of Quebec and the Minister of Justice. Dealing with the proposed amendment to the constitution, I have no doubt—and I do not believe any member of this parliament who has studied the question has any doubt—that a joint resolution of the House of Commons and of the Senate praying His Majesty in council to present to the parliament of the United Kingdom any bill amending the British North America Act would unhesitatingly be acted upon by that parliament. That I think is perfectly clear, and I have no hesitation in saying that if such an address or petition received the approval of the Senate and House of Commons of Canada the proposed amendment would be made to the British North America Act no matter what provision of the act it attempted to modify or amend.

The parliament of the United Kingdom cannot afford to come into collision with the deliberately expressed views of the parliament of Canada, and therefore that very fact has aroused in the province of Quebec certain doubts as to whether we should proceed at this time with the special amendment to which reference is made in the speech from the throne. It is not a doubt entertained solely by the Roman Catholic and French speaking majority in the province of Quebec. It is a doubt that is entertained also by the great body of English speaking and Protestant opinion in that province; and that doubt is as to whether it is advisable at this time to create the precedent by way of amendment to the act which the government now propose. There is a conviction that if amendments are likely to be so readily granted by the parliament of the United Kingdom, some day an amendment might be proposed which would diminish or prejudicially affect the rights of the English speaking and Protestant minority in that province, or, on the other hand, prejudicially affect the rights of the Catholic and French speaking majority in the province, who represent a minority in the whole dominion.

The amendment proposed is to add as clause 2(a) to section 91 of the British North America Act the words: "Unemployment insurance." I might say by way of parenthesis that I do not see the reason for calling it clause 2(a). For all practical purposes, if the decisions of the Judicial Committee of the Privy Council are to prevail you might as well strike out clause 2, dealing with the regulation of trade and commerce, and insert the proposed clause 2(a) with regard to unemployment insurance as clause 2. Our present difficulty arises by reason of the fact that in drafting the British North America Act, so important did the framers of the act, who were Canadian statesmen of that day, regard the matter of the regulation of trade and commerce, that they placed it as the second item under section 91, which reads in part:

> It is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated.

"Notwithstanding anything in this act"—that is, in section 91 or elsewhere.

> —the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated.

And one of those classes, the second one mentioned, the one which they regarded as second in importance, is "the regulation of trade and commerce." So, as clearly and concisely as it was possible for the men of that day to express their views, they expressed them to the effect that notwithstanding anything contained in this act, the absolute and exclusive legislative authority of the parliament of Canada extended to all matters coming within "the regulation of trade and commerce." I shall not emphasize it, but that clause gave a wide, a very wide, authority to the parliament of Canada; and yet the privy council, by decision after decision, has cut down and restricted that provision until to-day there is not a lawyer in this house who could tell me any particular matter coming under that head with respect to which this parliament might safely legislate. The whole purpose and intent of that clause of the act has been changed, if not obliterated.

Now with that in view I wonder whether the government have carefully considered whether the mere placing in section 91 as clause 2 (a) the words, "unemployment insurance" will give this parliament legislative jurisdiction to the extent necessary to deal with what we, in common parlance, understand to be covered by "unemployment insurance." I doubt it. I have not consulted my leader or my other colleagues with regard to it; I am simply expressing my personal opinion which has been elicited by what I have just heard from the right hon. the Minister of Justice. When this matter was before the previous government in 1935 I looked into the question as carefully as I could, and I

became persuaded, and that persuasion became a conviction, that parliament could not deal as completely as was necessary with unemployment insurance unless at the same time it had legislative authority to deal with hours of employment, with minimum wages of employees, with the power to arbitrate and adjust labour disputes, which was wiped away by the Snider decision. The leader of the government will recall that the statute which was enacted and which the Snider decision nullified was one which for a period of twelve or fifteen years had been regarded as the law of Canada. Under its provisions grave labour troubles were adjusted satisfactorily and great loss was prevented not only to those employed in labour but to employers as well. There were some minor amendments to that act as time disclosed the need of amendment, but that act was essential to the well-being, not only of those employed in any province in particular but of all workmen in all the provinces.

I doubt, in view of the manner in which the privy council has interpreted from time to time section 91 of the British North America Act, whether under the words "unemployment insurance" when attached as sub-heading 2 (a) to section 91, this government and this parliament will find sufficient scope to deal with the very serious question of unemployment, in which so many thousands and even tens of thousands of the people of Canada are now intensely interested. When the previous legislation of 1935 was introduced, to my mind the most commendable feature was that by a series of proposed acts dealing with matters of employment, hours of employment, wages, and the like, parliament and the government were vested with sufficient authority to deal satisfactorily with unemployment insurance in respect of all matters coming within this class of subjects or that are correlated therewith. I should like the Prime Minister (Mr. Mackenzie King) to consider, in view of other decisions of the judicial committee, whether the proposed amendment is likely to prove sufficient for the purpose which he has in view in presenting it to the house.

Another consideration: "unemployment insurance" will not admit of the adjustment of all matters relating to unemployment and unemployment relief in this country. It is proposed, as I understand, to make a departure in the way of providing insurance for those who are now employed in industry or are likely to be employed in industry in the future in case that stress of prevailing commercial, industrial and financial conditions pushes them again into a labour market in which they can find no employment. But for carrying out that purpose, which undoubtedly the house regards as a commendable one, and which must be dealt with sooner or later, so that ample provision may be made for dealing with it I wonder whether this measure should necessarily be pressed at this session of parliament. It can afford no relief to any considerable number of people for several years to come. It is a new departure that must be worked out stage by stage and year after year. It will cost I do not know how many millions; I have heard that at least fifty millions of contributions by the taxpayer, the employer and the labourer will be necessary to place the measure on even a moderately satisfactory basis. I ask whether it is advisable to press that amendment now, when the government have placed in the hands of a royal commission the elicitation of the relevant evidence and the consideration of representations from various parts of this country as to what amendments to the British North America Act should be considered and placed before the government and parliament of the United Kingdom.

The suggestion that now, by a mere vote of both houses, we can carry through this amendment to the British North America Act, as we undoubtedly can, has aroused for the first time in some years a grave anxiety in the province which I represent as to the likelihood of a similar procedure being adopted in respect of an amendment or modification of rights and interests which its people hold most dear. As a matter of fact I have never accepted, in the sense in which I have heard it repeated recently, that the British North America Act was a compact or treaty between provinces. It was more than that. It was more sacred than that. It was a clear understanding, a pact, an agreement between representatives of the Roman Catholic faith and representatives of the Protestant faith, in the old provinces of Canada, that certain civil liberties should be guaranteed. It was also an understanding between a Protestant minority in the Lower Canada and a Catholic majority there, and a Protestant majority throughout all the provinces entering the union and a Catholic minority there, that certain rights and interests were to be guaranteed and made secure. And before we enter upon the consideration of any large or liberal amendments to the British North America Act we should satisfy those interested from those two points of view that these so called minority rights and interests will not be prejudicially affected except with their consent

or the consent of those who represent them. Therefore I am simply suggesting, as one member of the house, sitting as I do on the opposition benches, not having discussed it with my colleagues or with my leader, that it would be wise to "make haste slowly" in regard to this particular amendment. I doubt whether the amendment proposed is sufficient. I think that other powers, or a broader definition, must be given to unemployment insurance, in order that all collateral matters may be satisfactorily dealt with.

When parliament comes to deal with the report which will be made eventually, probably at a later date in this year, by the royal commission now sitting, I think it will be necessary for parliament, if that commission does not do so, to consider fully and fairly some measure for procuring future amendments to the British North America Act at the will of the Canadian people as represented in parliament, which will prescribe a mode or method of procedure that will ensure that the rights of minorities will be respected and that any future modifications made by amendment to the constitution of this country will be made with the approval of these minorities. The anxiety that prevails, not only among Catholic people but among Protestants, not only among those of French descent who speak the French language but among those of English, Scottish and Irish descent who speak the English language, should be allayed at the very outset before any radical amendments to the British North America Act are now made.

I do not intend to enter into the discussion which was participated in by the right hon. Minister of Justice with respect to the argument of the appeals recently before the privy council. I have not seen the shorthand report; I suppose it is available in the Department of Justice, and, if it is, it might well be laid upon the table of the house—I refer to the shorthand report of the argument of counsel before that judicial committee. For many years after I became a student of these questions, some sixteen years after this confederation was founded, at my own personal expense, because of my personal interest, I obtained from London the shorthand reports in every constitutional case that was argued there. Some years ago I ceased to acquire them because those that I had in my possession I had packed away in trunks when I was leaving the home in which I formerly lived, and I do not know where they may now be found.

I will say this, however, that I have been particularly impressed by the report of the recent arguments before the judicial committee as given to me by one of the professors of Harvard who heard the argument and who is very much interested in Canadian constitutional questions. I was impressed by what he said regarding the admissions which he says he heard made by counsel for the government. I believe that that appeal went, not upon any prolonged investigation or study by the members of the judicial committee, not upon any exhaustive study of the Canadian constitution and of the statutes and documents leading up to the framing of that constitution, but almost completely upon the admissions made by counsel, to the effect that these proposed measures were admittedly an infringement of the rights of the province under heading 13 of section 92, dealing with "property and civil rights in the province." In my opinion that admission was clearly made, if these reports are correct, without any careful effort to elucidate that aspect of the question which was relevant and material to the decision of the appeal then under consideration. However, I do not know personally the gentleman who made the argument. I have heard him spoken of very highly indeed, and I do not wish to detract from his professional reputation.

But as the British North America Act may be amended, and has been amended time and again by judicial interpretation, when new clauses to sections 91 and 92 have been added, as they have been added from time to time by judicial interpretation, it is most important that counsel representing the dominion should be very reticent in making admissions of that kind, which may be accepted by the judicial committee as valid, and as relieving them of any necessity of making an independent study of the issues.

Mr. A. B. HYNDMAN (Carleton): Before continuing the debate I should like to congratulate the right hon. the Minister of Justice (Mr. Lapointe) upon the title conferred upon him during the past year. Those of us who had not the privilege of attending the coronation were indeed proud, I may add, that we had a representative of Canada in the person of the Prime Minister (Mr. Mackenzie King). What gave us satisfaction, I believe, was not perhaps anything that he said at the coronation so much as his address at the Paris exposition, in which he said that when the mother country was in danger she could always depend upon Canada's readiness to be at her side. Those are words which I am sure every Canadian citizen was glad to hear our Prime Minister say. I believe that we as Canadians desire to impress upon the mother country that in all circumstances of

strife, yes, in every difficulty, in war, she may count upon our support. I would rather have words of that kind spoken even in France, that good country, than the words we heard in the recent by-elections in the province of Quebec, where it was said on different platforms that the reason we were building up our defences in Canada, the reason we spent $35,000,000 for defensive purposes last year, was only to protect our own shores. I am confident the citizens of this country feel that we spent that money last year for the protection of the citizens of Canada, but I am confident also that if the mother country, or any part of the British Commonwealth of Nations, is ever attacked, we in Canada will be ready at all times to go to its assistance.

I should like also at this time to compliment the mover and seconder of the address in reply to the speech from the throne. True they are new members of the house, but they are veterans in the provincial field. I am particularly interested in the hon. member who seconded the address, as he represents a neighbouring constituency to my own.

I listened to the speech from the throne as well as I could at the bar of the senate, and next day I read it through very carefully. I must confess that I was greatly disappointed in its contents. I found it a void and empty document. Therefore I was pleased to hear the comment of the Prime Minister as reported on page 52 of Hansard:

> Why should the speech from the throne state that the government contemplates taking efficient measures to improve economic conditions?

Mr. MACKENZIE KING: Will the hon. member please read the next sentence or two?

Mr. HYNDMAN: Yes, I was coming to that.

> Look at the facts and figures with regard to the present conditions in Canada in comparison with what they were when we came into office and see what they disclose. They speak more eloquently than could any words in the speech from the throne.

Is that far enough?

Mr. MACKENZIE KING: That is enough, yes.

Mr. HYNDMAN: According to that the Prime Minister and leader of the Liberal party is putting all dependence, as far as the future of this country is concerned, upon increased trade, winning by-elections, increasing revenue and the decrease in unemployment. I think the hon. member for Lethbridge (Mr. Blackmore) pointed out very clearly in his address that as far as increase in trade is concerned it is largely dependent upon conditions in other countries, and we are in about the same position as those other countries. I recall clearly that prior to the last general election there was talk in Canada of the need for a national government. The present Prime Minister during that campaign stated on different occasions that there was no need for a national government; that all the provinces except one were Liberal, and that if we elected a Liberal government to the dominion house we would in reality have a national government and would have complete harmony between the provinces and the dominion. But in the very first session of this parliament what did we hear? We heard the hon. member for Vancouver-Burrard (Mr. McGeer) in his address on the Bank of Canada say that it may be that the Liberal party is placing its footsteps on that trail of broken promises which leads not only through the valley of humiliation but down deep into the abysmal depths of eternal oblivion. We also heard the hon. member for Rosthern (Mr. Tucker) speak very strongly on the same subject. And what do we find going on this year? We have Saskatchewan, Alberta and Manitoba not on the best of terms with the federal government. We have the premier of Ontario stating at a banquet in Toronto that he is no longer a Mackenzie King Liberal. Thank goodness Mackenzie King is not a Hepburn Liberal! And here we have the Premier of Quebec, the other major province in this dominion, stating that the Mackenzie King government, the federal government, has not the "intestinal fortitude" to settle the Canadian National Railways question. I would not call that harmony.

It is all very well to say that we have to depend upon trade; that the number of our unemployed is less—which I question very much—and that our revenues are higher and everything is fine. But I saw something in the Ottawa press last night which reminded me very much of the year 1929. On the front page of last night's Ottawa Journal in big, black headlines it said, "Leading stocks in sharp dip in New York." I also read that Mayor Lewis of this city, incidentally a very staunch Liberal, reminded his colleagues on the board of control that a fight is ahead if civic expenditures of 1938 are to be kept within the bounds of last year's budget. Those are similar to signs which appeared on the horizon in 1929. I submit that the government of the day are not taking the steps necessary to combat another depression.

We have three very important questions confronting the Canadian people at the present time. The most important is taxation. This country is weighed down with taxation.

Another question that is not being dealt with properly is unemployment, and the third, which has been discussed this afternoon, is the British North America Act. It is of those three questions that I wish to speak briefly at this time.

First, taxation. I wonder if hon. members realize the amounts of money that the taxpayers are paying to federal, provincial and municipal governments. For the information and interest of hon. members may I place on Hansard a few figures I have compiled from the Canada Year Book. I take the information given for the year 1934, a year when revenues were small, and I find that the ordinary revenue from taxation received by the provinces is as follows:

Prince Edward Island	$ 1,385,777
Nova Scotia	8,876,505
New Brunswick	5,535,214
Quebec	31,018,344
Ontario	61,426,934
Manitoba	13,966,921
Saskatchewan	15,585,916
Alberta	15,176,607
British Columbia	22,618,367
Total	$175,592,585

Hon. members will note the amount received by Saskatchewan, the province which has been so hard hit.

Let us now consider the taxes received by the municipalities, at the same time, bearing in mind that we are all taxpayers. The figures for the taxes received by municipalities in the different provinces are as follows:

Municipalities of—	
Prince Edward Island	$ 164,158
Nova Scotia	7,108,035
New Brunswick	2,207,230
Quebec	59,729,973
Ontario	117,892,884
Manitoba	18,187,714
Saskatchewan	16,624,783
Alberta	12,218,328
British Columbia	18,002,475
Total	$252,139,580

In 1936 the dominion government received in taxes no less than $372,595,996. The total, from all sources, amounts to about $800,428,161, and when we take the population of Canada at 11,000,000 we have a tax of $73 per capita. In other words, every man, woman and child in the dominion in every year has to pay $73 for taxes.

I claim that is a burning question to-day, one which should be considered by the government. I represent the county of Carleton, a county which I believe is managing its affairs in a first class manner. It is one of the best counties in the province—yes, one of the best in the dominion. When I tell hon. members that between 1932 and the close of 1937 the county of Carleton reduced its debenture debt by close to a million dollars, I think they will conclude that that county is doing its level best to try to make ends meet, and deserves a great deal of credit.

My submission is that taxation in Canada is too high. From the time we are born until we are buried we have to pay taxes—and we have to pay them even after that. The doctor who attends when we are born must pay taxes on all his equipment. Then, we pay heavy taxation on what we eat and wear. During a lifetime our pleasures, and especially radio, which I intend to touch upon later, are taxed. When we die we pay a tax, due to the taxes imposed upon undertaking equipment. Apparently the government is not satisfied with that, because they even tax the embalming fluid with which our bodies are embalmed, in an effort, I venture to say, to continue the process of taxation even when we are in the ground. In addition to that there are succession duties.

I was pleased to hear the references made by the hon. member for Huron North (Mr. Deachman) and the hon. member for Haldimand (Mr. Senn) to the farmers of Canada. I cannot agree with some of the statements made by the hon. member for Huron North, as they could be applied to the farmers in the eastern part of Ontario. He told us, speaking in this debate, that the average farm in western Ontario, representing an investment of $7,200, after payment of all expenses netted the farmer only $362. So far as the farmers in the county of Carleton are concerned I would say that that figure is not correct. In some respects I believe his figures are a little low. For example, he allows $6 for power and light. Possibly electric power in western Ontario is supplied at a cheaper rate than we have in this part of Ontario, but I am almost certain that that figure is a little too low Then, too, his estimate of the net profit to the farmer as being about one dollar a day is, in my opinion, too high.

I make the rather strong statement that 75 per cent of the farms in Ontario are mortgaged. I admit that at present and during the past year the farmers have been a little better off; I admit they have a little more money in their pockets, but I pity them if we have another depression, and I have even greater pity for them if we are unfortunate enough to lose any of the markets we have had in the past. I submit that there should be an investigation into the prices our farmers get for their products and the prices the consumers have to pay. This is the type of investigation carried on by the

price spreads commission which, in my view, was the best commission ever appointed by any government.

I should like to give an example of what happened in this immediate locality at Christmas time. When the farmers around Ottawa tried to sell their turkeys just before Christmas all they could get from any dealer was twenty cents per pound, but immediately after Christmas the price jumped to thirty-two cents per pound. I contend that there is a sort of combine working against the farmers and also against the consumers in the city of Ottawa. Because of this combine we had to eat storage turkeys for our Christmas dinner, but immediately afterwards we were able to get fresh turkeys.

I contend that there should be an investigation into the packing industry in this country. The packers are bleeding the farmers. I agree with what the hon. member for Haldimand said the other night, that we in Ontario should have minimum prices fixed for our farm products. A minimum price is fixed for the wheat grown in the west and the same thing should be done for the products of the east. I notice the Minister of Agriculture (Mr. Gardiner) is not in his seat, but while I am on this point I want to say I hope that during this session he will speak about something outside of wheat. For the past two years we have heard of nothing but wheat and conditions in the western provinces.

I have every sympathy with the provinces of Alberta, Saskatchewan and Manitoba. Incidentally, I might say I am averse to the criticism which has been made of those in charge of provincial affairs in Manitoba and Alberta. It must be remembered that I am no social crediter, but I think it must be admitted that they are attempting something. That is more than the federal government is doing at the present time. I do not want hon. members to think I believe in the policies of the social crediters, but they are at least trying to do something while we in the federal house, both Conservatives and members of the government, make no attempt to do anything.

I listened to the hon. member for Moose Jaw (Mr. Ross) the other evening when he was preaching free trade for the western province. Is that cooperation? We had discourses by the right hon. Minister of Justice (Mr. Lapointe) and the hon. member for St. Lawrence-St. George (Mr. Cahan) on keeping the provinces amalgamated in one dominion; yet we have the hon. member for Moose Jaw coming out and advocating regional free trade. That is not a very nice request for any hon. member from the western provinces to make in the house. It must be remembered that the eastern provinces are not complaining very much about the help which has been given to the west during the past five or six years.

Mr. FAIR: Where did that help come from originally?

Mr. HYNDMAN: I venture to say it came from the west. Then we heard from the hon. member for Huron North. This is another gentleman who believes in free trade. I suggest to the hon member for Moose Jaw, the hon. member for Huron North and any other free traders in the house that if they want free trade they should move an amendment to the amendment to the motion for an address in reply to the speech from the throne.

I am a protectionist, but I want protection that is controlled. I believe in protecting our industries, but I should like to see the government have some control over industry. I have in my hand a list of retail prices of different articles. I intend to refer particularly to motor cars and farm implements. I notice the price in New York of a Chevrolet car, one of the three popular makes, is $732, while the price in Canada is $1,040. The United States price of a Ford is $749, while the Canadian price is $953. The price in New York of a Plymouth is $848, while the price here is $1,093. I maintain that if manufacturers of motor cars who have been protected for a number of years are not able to manufacture cars to sell at the same price here as they sell at in the United States, then they should close up shop.

Mr. MARTIN: Do I understand the hon. member to say that in view of this spread in prices he would close up the automobile plants at Windsor and Oshawa?

Mr. HYNDMAN: I did not say that. I say that if plants in Windsor cannot manufacture motor cars to sell for the same price as they are sold at in Detroit, then let them close up shop. Remember I am in favour of a tariff to protect the motor car manufacturers in Windsor, but I would like the government to go to these companies and say, "Unless you sell your cars for the same price as they are sold at in the United States, we are going to wipe out the duty." If that is done, then we shall get somewhere.

An hon. MEMBER: Page your leader.

Mr. MARTIN: I am happy to disagree with you.

Mr. HYNDMAN: I am not referring to my leader. That is what happened when he was in power.

Mr. MARTIN: What happened?

Mr. MUTCH: We did not get cars at the same price when my hon. friend's party was in power.

Mr. HYNDMAN: There was no increase in price.

Mr. BRADETTE: They were selling at a higher price then than they are now.

Mr. HYNDMAN: They were lower then than they are now.

Mr. BRADETTE: They were higher then than they are now.

Mr. HYNDMAN: They were lower in price then than they are now. Let me remind hon. members that when my leader was in power he raised the tariff.

Some hon. MEMBERS: Hear, hear.

Mr. HYNDMAN: Hold on over there. He raised the tariff all right, but he told the manufacturers that if they increased their prices to the consumers, the tariff would go down again; and they did not increase their prices. When the tariff was high when my leader was in power, one could buy farm implements cheaper than one can do to-day under the so-called low tariffs. One thing I should like to see lowered to-day is the tariff on farm implements, because I think one could say about farm implements the same thing that I have just said about motor cars.

I should also like to see a cessation of the exportation of certain of our natural resources, because we all know where the products of our mines, for example, are going. That was pointed out clearly the other evening by the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Winnipeg North Centre (Mr. Woodsworth), and I concur in what they said about the exportation of our raw materials to be used for war munitions.

Now I wish to say a word or two on radio. This country permitted the federal government to take over radio broadcasting for certain objectives, and under certain well-understood restrictions. Those objectives were as follows: First, Canada was to be sheltered from United States propaganda and from undersirable United States programs, from the dilution of our British citizenship through the aggressive and often fascinating United States spirit. This promise has been broken completely to pieces. We still get most of our programs, at least the programs that we listen to, from the United States. So if we hoped that we were going to secure immunity from that influence, we have been tricked.

Second, our broadcasting was to move towards the British ideal as exemplified in the British Broadcasting Corporation. Has it? So far from being supported by the fees levied, it has to draw more and more of its support from United States commercial programs. The Canadian programs have not been bettered at more than a fraction of the rate at which we have increased United States programs, and the new increase in fees is accompanied by a large increase in United States programs. Apparently what our broadcasting corporation is trying to do is to get more broadcasting stations with which to broadcast United States programs. That is precisely the opposite of the objective which was presented to us to make us swallow the licence fee at all, and it really means another venture by Canada in government ownership —as if the Canadian National were not enough. Of course, we can have government regulation and censorship without government operation. To compare our licence fee with those of other countries is wholly beside the point because conditions are not at all similar in Canada and Great Britain and other European countries. Our proper comparison is with the United States. The people there pay no fees at all, and yet they get a large proportion of the most attractive programs to which we listen, as well as a number of others which we do not have. If the present policy of the Canadian Broadcasting Corporation is continued we shall eventually get most of the United States programs with their United States ideas and booming of United States products, but we shall have to pay $2.50 a year for that while the people of the United States pay nothing. If the Canadian Broadcasting Corporation cannot do better than that it might as well fold up. If it was fewer United States programs we wanted, we are getting more; if it was less booming of United States products through United States programs, we are getting more; if our object was to cut down on this United States invasion, the new policy, with its accompanying increase in the licence fee, is bringing us still more and more of the United States influence. If it was a gradual approach to the British system that we wanted, we are moving further and further away from it. If it was the development of a self-sufficient Canadian system that we hoped for, any intelligent radio fan now knows that is impossible. Our people are too United States program conscious.

Let me just mention the usual radio program listened to in a Canadian home on a Sunday evening. I venture to say that every member of the house on a Sunday evening listens to the following programs coming over the Ottawa station, CBO. At six o'clock we tune in on Joe Penner, the United States entertainer. At seven we follow that up with Jack Benny; at seven-thirty, with Phil Baker; at eight we have the dummy, Charlie McCarthy, coming on; at nine o'clock Manhattan Merry-go-round; at nine-thirty Walter Winchell, giving the news of Hollywood, and at ten we have the Good Will hour.

Mr. HOWE: If my friend listens to CBO on Sunday evening he will not hear more than two of those programs. If he does hear all those programs, he must be doing what a great many people do, spinning his dial over the United States stations. CBO has only two of those programs.

Mr. LAWSON: Because they spin over to the United States stations we charge them more for radio licences.

Mr. BRADETTE: You charged more for sugar a few years ago.

Mr. HYNDMAN: I am giving the house the kind of programs the Canadian public are listening to.

Mr. HOWE: I just want to make clear why I interrupted. I understood my hon. friend to say that he heard these programs over CBO.

Mr. HYNDMAN: I get Jack Benny and certainly Charlie McCarthy over CBO.

Mr. HOWE: But just those two.

Mr. HYNDMAN: They are United States programs. My point is that that is the type of program we get over the air at the present time in Canada, and I feel there is no sense in being charged even two dollars for it. They say they are increasing the licence fee by fifty cents, but that does not blind me to the fact that I shall have to pay $7.50 for my radios this year because we have now to pay $2.50 for each set.

I feel that the proper thing to do, if we are going to have a broadcasting system in this country, is to wipe out the radio licence fee altogether. Surely we are taxed enough already, and surely we can hear at least something over the air without having to pay for a licence. I say, wipe out the licence fee absolutely and completely

As I mentioned earlier in my remarks, nothing is being done by this government. If we go back over their record since they came into power, about the only thing they have done is to appoint commissions. We have had commissions sitting month after month, with high-priced lawyers, the lawyer for one commission being paid $200 a day and $20 a day living expenses. We have too many commissions looking after things.

As I said before, I am in favour of the minimum wage law; I think we need such legislation in this country.

I come now to unemployment.

Mr. SPEAKER: Order. I am sorry, but the hon. gentleman has already spoken for forty minutes.

Mr. A. A. BROWN (Hamilton East): A careful scrutiny of the speech from the throne indicates clearly that the government is perfectly satisfied with the progress that this country has made during the past two years. Further, it shows that the government has no intention of departing from the policies which it has followed during that period. In support of this stand-pat attitude, hon. members to the right point out that the external trade of Canada has increased to $1,934,000,000; that the revenues have increased to $401,000,000, the highest for any similar period in our history; that employment has increased and unemployment has decreased. I admit that in adopting this attitude the government is quite consistent. In a synopsis of the Liberal platform which was published in MacLean's magazine on September 15, 1935, the present Prime Minister (Mr. Mackenzie King) states:

> I believe that upon the development and expansion of our domestic and foreign trade depends the only ultimate solution of the problems of unemployment, railway debt and taxation, and the establishment of a substantial measure of social reform.

Yet as we peruse the speech from the throne we find no reference to the railway problem, to the problem of taxation, or to measures of social security which the government and all hon. members have agreed to be the grave problems which are stifling our economic life. In spite of the visible evidences of prosperity —our large revenues, and our huge external trade—we have some 381,000 people and probably more out of employment, some 970,000 on relief, and during the past two months we have experienced an adverse trade balance with the United States to the extent of some millions of dollars. Yet the government indicates that it intends to extend the present treaty with that country.

During the past few weeks there was in the city of Montreal a display by the wholesalers of toys for the Christmas trade of 1938, and German and Japanese products were there in such abundance that it was practically impossible to find any Canadian or British toys.

That will give some indication of what the Christmas toy trade will be in the coming year. Is it any wonder that thousands of people employed in the diversified industries throughout this country are alarmed for their future status, when some of them are receiving a bare living wage, when men employed in seasonal industries for nine months in the year have to go in debt or on relief for the remaining three months, when men at the age of thirty-eight years are regarded as too old to obtain new employment? Is it any wonder that by every mail representations are received from employers of labour, from the manufacturing industries, the coal industry of the west and of the maritime provinces, the fruit and vegetable growers of Ontario, Quebec, Nova Scotia and British Columbia?

As many speakers in the course of this debate have said, the industries of this country must march together, must work together, and failures in one will undoubtedly affect the others. According to the bureau of statistics, for the year 1936 the wealth production of all industry in Canada is rated as follows:

Manufacturing	$1,476,000,000
Agriculture	746,968,000
Mining	376,000,000
Tourist trade	250,000,000
Forestry	214,760,000
Electric power	138,000,000
Construction	131,400,000
Customs and trade	70,000,000
Fishing	35,000,000
Trapping	9,600,000

This clearly shows that it is impossible for one industry in this country to be injured without affecting adversely the others.

In the past it has been the practice of almost every government in times of depression upon coming into power to commence spending huge sums of money on building projects in order that the circulation of this money may stimulate private industry and so eventually reach the man out of employment. In the past, as a rule, this method has been successful, but on account of unusual conditions it is not altogether effective, partly because the projects that were started were not needed and partly because the money did not go into the hands of those who really needed it and whom it was intended for. I believe that a much more efficient way of dealing with this problem of unemployment and of avoiding the difficulties inseparable from amendment of the British North America Act would be for the government to consult those employers of labour who they believe will find work for the unemployed in order to ascertain under what conditions they could and would employ more hands, and to endeavour to meet such conditions, at the same time protecting the employee in the matter of a living wage and decent working hours.

In many European countries during the great war the press was regarded as the greatest force in welding the nation together and in achieving unity of purpose. At present, in this so-called day of the radio, many of those countries that are passing through critical times have found the press the greatest force in influencing and directing the nation. If the government would give proper leadership; if it would insist upon Canadian goods being marked as "Made in Canada," goods imported from other countries having the country of origin similarly indicated; if the government would lead a nationwide advertising campaign and spend as much time in an effort to stimulate internal trade as it has done in attempting to develop external trade, I believe that great benefit would accrue to Canada, and that this would go a long way towards restoring prosperity to our people.

On motion of Mr. Brown the debate was adjourned.

Mr. MACKENZIE KING: I am informed by the whips that there is a general desire on the part of hon. members not to sit this evening. During the last few years it has become the custom not to sit on the last night of the first week. I do not think it should become a precedent altogether, but I think on this occasion it would be safe to ask for an adjournment. I move that the house do now adjourn.

Motion agreed to and the house adjourned at 5.45 p.m.

Monday, February 7, 1938

The house met at three o'clock.

STANDING COMMITTEES

Hon. IAN MACKENZIE (Minister of National Defence) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messieurs:

Anderson	Kirk
Beaubien	Kuhl
Bennett	Lawson
Bertrand (Laurier)	MacInnis
Bothwell	Mackenzie (Vancouver Centre)
Cahan	McCuaig
Factor	McLarty
Fleming	McLean (Simcoe East)
Fournier (Hull)	
Gariepy	

McNiven (Regina City)
Massey
Mitchell
Pouliot
Power
Sinclair
Slaght
Thorson
Turgeon
Veniot
Warren—29.

(Quorum 10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs:

Barber
Baubier
Bertrand (Laurier)
Bonnier
Brown
Cameron (Hastings South)
Clark (York-Sunbury)
Chevrier
Cochrane
Crerar
Damude
Deslauriers
Duffus
Dupuis
Edwards
Elliott (Kindersley)
Emmerson
Francœur
Girouard
Gladstone
Grant
Hamilton
Hansell
Hanson
Harris
Heaps
Howden
Hushion
Isnor
Jean
Johnston (Bow River)
Lockhart
MacInnis
MacKinnon (Edmonton West)
MacMillan
McCann
McCallum
McCulloch
McIvor
McKinnon (Kenora-Rainy River)
McNiven (Regina City)
Maybank
Mills
Mullins
Mutch
O'Neill
Parent (Terrebonne)
Pelletier
Pouliot
Ross (Moose Jaw)
St-Père
Stevens
Stewart
Streight
Sylvestre
Vien
Walsh
Wermenlinger
White
Young—60.

(Quorum 20)

MISCELLANEOUS PRIVATE BILLS

Messieurs:

Ahearn
Barry
Boulanger
Bradette
Brasset
Brown
Clarke (Rosedale)
Cleaver
Cote
Deachman
Douglas
Dubois
Evans
Fair
Ferguson
Ferland
Francœur
Gariepy
Girouard
Glen
Goulet
Howard
Hyndman
Johnston (Bow River)
Lacombe
Lacroix (Quebec-Montmorency)
Lalonde
Little
Lockhart
MacDonald (Brantford City)
MacLennan
Macphail (Miss)
McDonald (Souris)
McGeer
McGregor
McPhee
Marsh
Mayhew
Mulock
Parent (Quebec West and South)
Pottier
Robichaud
Ross (St. Paul's)
Senn
Sinclair
Taylor (Nanaimo)
Telford
Winkler
Wood
Young—50.

(Quorum 15)

BANKING AND COMMERCE

Messieurs:

Baker
Bennett
Cahan
Clark (York-Sunbury)
Cleaver
Coldwell
Deachman
Donnelly
Dubuc
Dunning
Edwards
Euler
Fiset (Sir Eugene)
Fontaine
Fournier (Hull)
Fraser
Harris
Hill
Howard
Hushion
Jacobs
Jaques
Kinley
Kirk
Lacroix (Beauce)
Landeryou
Lawson
Leduc
MacDonald (Brantford City)
Mackenzie (Vancouver Centre)
McGeer
McLarty
McPhee
Mallette
Martin
Maybank
Moore
Perley
Plaxton
Quelch
Raymond
Ross (Middlesex East)
Rutherford
Stevens
Thorson
Tucker
Vien
Ward
White
Woodsworth—50.

(Quorum 15)

PUBLIC ACCOUNTS

Messieurs:

Ahearn
Anderson
Barry
Beaubien
Betts
Black (Chateauguay-Huntingdon)
Blais
Blanchette
Bothwell
Brooks
Casselman
Church
Douglas
Dussault
Elliott (Kindersley)
Factor
Ferland
Fleming
Fournier (Maisonneuve-Rosemount)
Francœur
Fraser
Glen
Golding
Goulet
Grant
Graydon
Isnor
Leader
MacKinnon (Edmonton West)
MacNeil
McCann
McDonald (Pontiac)
McKinnon (Kenora-Rainy River)
McLean (Melfort)
Marshall
Mullins
Needham
Patterson
Purdy
Rickard
Rowe (Athabaska)
Slaght
Stewart
Streight
Taylor (Norfolk)
Thauvette
Tremblay
Turgeon
Wermenlinger
Wood—50.

(Quorum 15)

AGRICULTURE AND COLONIZATION

Messieurs:

Barber
Beaubier
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blair
Bouchard
Boulanger
Clark (Essex South)
Cochrane
Coldwell
Davidson
Donnelly
Douglas
Dubois
Dupuis
Evans
Fontaine

Furniss
Gardiner
Golding
Gosselin
Graydon
Hayhurst
Johnston (Lake Centre)
Lacombe
Lalonde
Leader
Leclerc
Lennard
MacKinnon (Edmonton West)
MacLean (Prince)
Macphail (Miss)
MacRae
McDonald (Souris)
McKenzie (Lambton-Kent)
McLean (Melfort)
McNevin (Victoria, Ont.)
Mitchell
Motherwell
Mullins
Needham
Patterson
Perley
Reid
Rennie
Rheaume
Roberge
Robichaud
Ross (Middlesex East)
Rowe (Dufferin-Simcoe)
Senn
Spence
Stirling
Taylor (Norfolk)
Thompson
Tomlinson
Turner
Ward
Weir
Wood—60.

(Quorum 20)

STANDING ORDERS

Messieurs:

Baker
Barry
Bertrand (Prescott)
Brunelle
Denis
Fleming
Heaps
Jacobs
Leclerc
MacLean (Cape Breton North-Victoria)
McCuaig
Plaxton
Poole
Pottier
Rowe (Dufferin-Simcoe)
Rutherford
Thauvette
Thompson
Turgeon
Turner—20.

(Quorum 8)

MARINE AND FISHERIES

Messieurs:

Black (Mrs.)
Brasset
Brooks
Brunelle
Clark (Essex South)
Cote
Farquhar
Ferron
Fiset (Sir Eugène)
Gauthier
Green
Hanson
Hill
Kinley
Lapointe (Matapedia-Matane)
MacLean (Prince)
MacLean (Cape Breton North-Victoria)
MacNeil
MacNicol
McCulloch
McDonald (Souris)
Michaud
Neill
Pelletier
Pottier
Reid
Rickard
Robichaud
Stirling
Taylor (Nanaimo)
Telford
Tomlinson
Tustin
Veniot
Ward—35.

(Quorum 10)

MINES, FORESTS AND WATERS

Messieurs:

Black (Mrs.)
Blais
Bradette
Brooks
Clarke (Rosedale)
Cochrane
Crerar
Crete
Esling
Farquhar
Ferguson
Hamilton
Hanson
Hartigan
Hayhurst
Hill
Hurtubise
Hyndman
Johnston (Bow River)
Lacroix (Beauce)
Little
MacKenzie (Neepawa)
MacLennan
MacMillan
MacNicol
McCallum
McDonald (Pontiac)
O'Neill
Parent (Quebec West and South)
Patterson
Roberge
Stevens
Sylvestre
Taylor (Nanaimo)
Tremblay—35.

(Quorum 10)

INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Barry
Betts
Black (Mrs.)
Blackmore
Church
Crete
Deslauriers
Dubuc
Gladstone
Grant
Hartigan
Hill
Howard
Howden
Isnor
Jean
Lacroix (Quebec-Montmorency)
Leduc
Lennard
MacInnis
MacKenzie (Neepawa)
MacNicol
Macphail (Miss)
McGeer
McIntosh
McIvor
McLean (Simcoe East)
Martin
Massey
Mayhew
Neill
Rogers
Rowe (Athabaska)
St-Père
Tucker—35.

(Quorum 10)

DEBATES

Messieurs:

Cote
Esling
Finn
Gauthier
Hill
Lawson
MacKinnon (Edmonton West)
McIntosh
McNevin (Victoria, Ont.)
Mitchell
Pinard
Pouliot—12.

(Quorum 7)

PRINTING OF PARLIAMENT

(Members to act on the part of the Commons)

Messieurs:

Barry
Bertrand (Laurier)
Casselman
Chevrier
Damude
Davidson
Denis
Douglas
Dussault
Elliott (Kindersley)
Esling
Evans
Ferron
Fleming

Fournier (Maisonneuve-Rosemount)
Gauthier
Green
Hansell
Hurtubise
Hushion
Jean
Kirk
Lapointe (Matapedia-Matane)
Leduc
Lennard
Little
MacInnis
MacKinnon (Edmonton West)
MacLean (Prince)
McGregor
McIntosh
McKenzie (Lambton-Kent)
McNevin (Victoria, Ont.)
Marsh
Marshall
Mills
Moore
Mullins
Mulock
Mutch
Pinard
Purdy
Reid
Ross (St. Paul's)
Ross (Middlesex East)
Rutherford
St-Père
Taylor (Nanaimo)
Thompson
Tucker
Tustin
Veniot
Weir
Winkler—54.

LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)

Mr. Speaker and Messieurs:

Ahearn
Blackmore
Blair
Blanchette
Bonnier
Bothwell
Bouchard
Bradette
Brasset
Cameron (Hastings South)
Casselman
Clark (York-Sunbury)
Duffus
Emmerson
Fournier (Maisonneuve-Rosemount)
Grant
Green
Hamilton
Hyndman
Johnston (Lake-Centre)
Kuhl
Lennard
MacInnis
MacKinnon (Edmonton West)
MacLean (Cape Breton North-Victoria)
MacLennan
MacNeil
Macphail (Miss)
McCallum
Mallette
Martin
Moore
Mutch
Parent (Quebec West and South)
Parent (Terrebonne)
Raymond
Reid
Rennie
Ross (St. Paul's)
St-Père
Spence
Walsh
Winkler
Young—44.

PARLIAMENTARY RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messieurs:

Barber
Bertrand (Prescott)
Fafard
Fraser
Gray
Hill
Landeryou
MacInnis
MacMillan
Macphail (Miss)
Moore
O'Neill
Pinard
Purdy
Rheaume
Roberge
Sinclair
Spence
Taylor (Norfolk)
Tustin—20.

Mr. MACKENZIE (Vancouver Centre) moved that the report be concurred in.

Motion agreed to.

[Mr. I. Mackenzie.]

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I gathered from what the Minister of Finance (Mr. Dunning) said the other day that he would make inquiry as to whether the Auditor General's report should not as a matter of course be referred to the committee on public accounts. This question arises out of this motion.

Hon. CHARLES A. DUNNING (Minister of Finance): I have looked into the procedure of recent years and I find that in most cases since 1931 the Auditor General's report has been tabled by the Minister of Finance shortly after the opening of the session and that a subsequent motion has been made to refer the report to the appropriate committee after the setting up of the committees. I intend to make such a motion one of these days.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 17, respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 4, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. A. A. BROWN (Hamilton East): Mr. Speaker, during the week-end while I was home certain merchants and manufacturers in and about the city of Hamilton called upon me, and in the course of our conversation advised me that two of the greatest factors that were contributing to the unemployment situation and to increasing unemployment to-day in that district were, first, that American

goods are being dumped into our markets at much below the selling price in the United States, and, second, that a flood of Japanese goods are being sold in the departmental and retail stores of this country, to an extent which is hardly realized by the general public. The Japanese have gone into making screws, brushes, book-ends, lighters, etc., many of which articles are selling in Canada at much below the cost even of the materials that enter into them. It simply means that these industries in Japan are being subsidized by the people of Canada, and, I repeat, they are selling their goods in this country at a price below or at best equal to the cost of the materials used in producing them.

Before the house adjourned on Friday, I was saying that it seems to me that the government is too well satisfied with the present financial and social conditions in this country. To such an extent is this true that you can read the speech from the throne as often as you like, and you will find in it no indication of any measures proposed to reduce the uncontrollable expenditure, which accounts for some forty cents out of every dollar of revenue collected. No measures are being taken to wipe out the sugar tax, which the members of this government, when in opposition, opposed so strenuously, and there is no suggestion that the eight per cent sales tax is to be reduced, although it is one of the chief obstacles to carrying on business in this country. Nor is there suggested any practical scheme of cooperation with the provinces and municipalities to remove from real estate the tremendous burden of taxation from which it is suffering, and which is the great obstacle to a revival of the building industry. I think if the government would make some effort to cooperate with these other governing bodies it would do much more to help the building industry than the present financial loan arrangements for that same purpose.

Another year has passed, Mr. Speaker, and no measure has been introduced by this government to deal effectively with our railway problem, which has been increasing the national debt by many millions of dollars year after year. The railway problem, I think it is generally recognized, is one of the most important with which this country has to deal, and speaking for myself I do not think we shall have any major degree of prosperity until this problem is solved.

Perusing the speech from the throne we find that the government's idea of a substantial measure of social reform consists of a proposed amendment to the British North America Act which would enable parliament to enact forthwith a national scheme of unemployment insurance. Such a measure, Mr. Speaker, is one of the most important with which this parliament could be called upon to deal, and I fear that the government is not attaching to it the importance it deserves. It is a measure that would affect to a very great extent my constituency of Hamilton East. Hamilton is one of the largest industrial cities of this dominion. It is situated in one of the richest fruit and vegetable growing districts, the prosperity of which is dependent upon the millions of dollars paid out annually in wages by the industries in the Hamilton district. There is no part of the country more sensitive to fluctuations and variations in industry than Hamilton and the surrounding district, and uncertainty as to the attitude of this government in the matter of making tariffs and making treaties has contributed to unemployment there.

The government appears to have adopted the attitude that it took between the years 1921 and 1930, when it reduced the tariff, without any compensating benefits to the people of this country, at a time when all the other nations of the world were raising tariffs. When the members on this side of the house complained about the grave injuries that were being done to our industries by these tariff reductions, hon. gentlemen opposite pointed then, as they do to-day, to our huge external trade and to the large revenues that are being collected; they closed their eyes entirely to the fact that hundreds of thousands of Canadians were leaving Canada to look for work in the United States. Following the tariff reductions made during that period, various products that were manufactured in the many branch factories in Hamilton were no longer manufactured there but were manufactured in the main factory in the United States. But when the Conservative party came into power in 1930 and raised the tariff to ensure that our industries would be able to compete on even terms with those of foreign nations, products that had never before been manufactured in the branch factories in Hamilton were manufactured there, and with very little, if any, increase in price to the consumers.

When the Liberal party came into power again in 1935, we found history repeating itself. The government, in its quest for international trade, is making or contemplating making treaties which according to rumour it is hoped will not sacrifice our industries and will be of benefit to this country.

I do not wish the members of this house to think I believe in the tariff as a panacea

for all our economic ills. Nor do I believe in high tariffs. I believe that we must trade with other nations, but I contend that a proper protective tariff in order to influence trade balances, to provide work and opportunities for both the farmer and the industrial worker, is the right tariff for a nation such as ours. It is impossible to have any measure of social or economic reform unless all parties in this house agree to the principle of a fair protective tariff.

Mr. SPEAKER: Order. I am sorry to have to stop the hon. member, but he has exhausted his time.

Mr. ANGUS MacINNIS (Vancouver East): I find myself in what is no doubt a similar position to that of many other hon. members: we should have liked to see something more in the speech from the throne than there is in it, yet we are not greatly disappointed, because we did not expect it.

But there are certain things that we have a right to expect. This is the third session of parliament since this government came into office, and we have the right to expect that the government, possessing as it does the power, should give effect to some of the promises it made to the electorate before it assumed office. The government should not forget that it is here to-day because of a failure of the former government to deal effectively with the economic situation. It should also be remembered that this government came into office at a very much more favourable time than the former administration. The previous government came into office when the country was going into the deeps of the depression, a depression not peculiar to this country but common to the world at large; whereas the present government came into power when the economic situation the world over was improving. They are therefore more accountable to the people of Canada than was the former government because they have not extended that improvement to a larger section of the population. I am not taking up the cudgels on behalf of the previous administration; we criticized them as we criticize the present one, but there is that difference, and it should be remembered.

It is true that some improvement has taken place since this government came into office, but it cannot be denied that the government is not responsible for that improvement, because a similar process has been going on all over the world, and great as is the power of this government it does not extend much beyond the bounds of the dominion.

In my opinion there is a reason why more has not been done, and until that reason is recognized and considered, very little will be done. It is that, underlying the economic fluctuations of to-day not only in Canada but all over the world, there is a fundamental flaw in the economic system itself. The circumstances and conditions which built up in the past what we were pleased to call prosperity have disappeared and will not return. As I have said, the improvement of which we boast has been world-wide. The depression, of which we already see signs, will also be world-wide. And no country in the world has made less preparation to meet it than Canada has.

When the party now in power went to the people in 1935, it presented a fairly definite program, with planks dealing with various matters of concern to the people. Chief among these was unemployment, and the Liberal party promised to deal effectively with it. The improved economic conditions in the last two and a half years have of course diminished unemployment, but let us remember that in one month alone, last December, over 78,000 were added to the unemployed lists, and there is nothing in the policies of this government that could have prevented that occurrence. Similar increases, brought about by a world-wide situation, may take place in the coming months, and all the improvement, as far as employment is concerned, would be wiped away.

Then we were promised unemployment insurance. I am pleased that the government is taking steps to give effect to that pledge, but I was astonished the other day when the Prime Minister (Mr. Mackenzie King) said that the actions of the former—Conservative—government were responsible for this delay of five years. Unemployment insurance was a plank in the Liberal party's platform as far back as 1919. If that be so, and it is so, the Liberal government of to-day is responsible for a delay of fourteen years.

We were also promised the liberation of external trade. Trade of course has increased. This government said not only that it would improve conditions by enlarging trade within empire countries but that it would increase trade with all countries. The facts are otherwise. I have before me an article by Courtland Elliott in Canadian Business, the official organ of the Canadian Chamber of Commerce. It is pointed out, in an analysis of Canadian trade, that our trade with the United Kingdom is, in percentages, approximately the same as it was in 1932; that is,

taking the months January to October, 1932, and comparing them with the months January to October, 1937.

Mr. DUNNING: Percentages of what?

Mr. MacINNIS: The percentages of Canadian trade; that is, that part of Canada's trade done with the United Kingdom is approximately the same as it was in 1932.

Mr. EULER: Both exports and imports.

Mr. MacINNIS: Yes.

Mr. DUNNING: Oh, yes.

Mr. MacINNIS: I thought I had made that clear; I am sorry that I did not. Our total trade with the United States has increased by some nine per cent. The percentage of our total trade with empire countries, that is the British dominions, increased by a very small amount, but the percentage of our total trade with other foreign countries decreased from 22·3 per cent to 11·6 per cent. That is not extending trade on the basis on which the government promised it would be extended.

Then we were promised control of credit. I have a copy of the Liberal platform, which has a note on the back saying:

> The paragraphs above have been extracted from the official report of Mr. Mackenzie King's speech in the House of Commons, on February 27, 1933.

With regard to the control of credit the following statement is made:

> The Liberal party believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank . . .

And so on. In this regard there has been no change that has had any significance whatever; and for that statement I have no less an authority than the hon. member for Vancouver-Burrard (Mr. McGeer). Speaking at the annual meeting of the Vancouver-Burrard Liberal Association on November 4, he said, as reported in the Daily Province:

> "Government control of the Bank of Canada for the benefit of the people has been promised by the Liberal party," said Mr. McGeer, and he for one would not sit idly in his seat at Ottawa without protesting that it be put into effect.

That would seem to be conclusive evidence that this plank at least has not been carried into effect. The hon. member for Vancouver-Burrard is an authority on monetary reform. I know he is an authority because he has said so himself. He used to talk a good deal about it and spread enlightenment in regard to this very complex subject, but he does not do so any more.

Miss MACPHAIL: He went to England.

Mr. MacINNIS: Yes, he went to England and sat at a banquet at which were present the Chancellor of the Exchequer and Sir Montagu Norman, and now the hon. gentleman does not speak about money; he speaks about the scenery of British Columbia—a wonderful subject to discuss even if it has not the economic and personal interest that money has for most people.

There was also another great exponent of money in British Columbia—we have more than scenery there, let me tell you. I refer to the Minister of National Defence (Mr. Mackenzie). I do not know whom he sat with when he went to Great Britain, but he does not speak about money now either. Possibly all that was necessary to stop him was a wink from the Minister of Finance. At any rate, nothing has been done in that connection.

Then there was the matter of the liberation of internal trade:

> The Liberal party will seek to end artificial price control and agreements in restraint of trade. Price-fixing by agreements restrict and hamper trade internally. The internal trade of our country has become honeycombed and enmeshed by secret understandings and agreements.

I believe that that is as true to-day as it was true in 1935, but nothing has been done to remedy it; and until we deal effectively with monopoly control in this country we shall not get our people out of the poverty they are in to-day.

There was also a section dealing with the reassertion of personal liberty. I had intended to make some reference to this, particularly as it concerns the so-called Quebec padlock law, but I will not do so, not because something could not be said about it, but the matter has been discussed already; and after listening to the very excellent speech of the Minister of Justice (Mr. Lapointe) the other day I decided not to discuss the question. I am not satisfied with all that he said; nevertheless his speech last Friday should be of great interest to the people of Canada.

May I take this opportunity also to congratulate the Minister of Labour (Mr. Rogers) on the attitude he took in the trouble that developed at Oshawa last year. If we had more of his point of view, more of the understanding that the Minister of Labour showed on that occasion, there would be fewer labour difficulties in Canada than there are.

I intend to support the amendment moved by the leader of the opposition (Mr. Bennett); I shall vote for it, but I should be much

more enthusiastic about it if it were more positive and less negative than it is. If it had stated the lines along which the Conservative party would proceed to lay the foundation of an enduring prosperity I would vote for it with far more enthusiasm than I shall when the vote is taken.

Two facts stand out in the life of Canada to-day; we have a country of great potential wealth, vast possibilities, and we have a country in which there is dire poverty. And the poverty of the masses is increasing; the poverty of the farmers, despite supposed improvement in the last few years, is increasing. We should try to find out the fundamental cause of this situation. Surely it is not because the wealth is not here or because our people are not prepared to work and produce wealth; there must be some other difficulty, some other fundamental cause that we have not discovered. There has been, of course, very little attempt to deal scientifically with the economic and social questions confronting us, and I submit they are not incapable of solution if we approach them in a scientific way. The small group to which I have the honour to belong believes that the solution lies in the methods which we have suggested in this house and elsewhere during the last few years. I shall not press that upon the house at this time, although I will call attention to some statements that have been made here during the present debate, statements to which we should give consideration and which every member of this house might very well study closely.

The leader of the opposition (Mr. Bennett), speaking here a week ago, said:

> Why is it that to-day we have such enormous aggregations of capital in the banks—capital unemployed? Why is it that to-day the banks have such enormous investments in our securities? Is there lack of confidence in our ability properly to function as a producing country?

I am not going to answer the questions of the leader of the opposition, or take time to disagree with his own answer. The facts of course are as stated by him, and there must be some reason for their being so. Then the hon. member for Lethbridge (Mr. Blackmore), speaking in the same debate, and referring to the prevailing poverty of to-day, said:

> Take the Brookings Institution discoveries. It has found that in the peak of the boom in the United States the people of that country were able to buy only eighty per cent of the productive capacity of the United States.

I presume "productive capacity" as used by him meant the actual production in the United States at the time.

[Mr. MacInnis.]

Mr. DUNNING: That is not what the Brookings Institution said. "Productive capacity" were the words used by the Brookings Institution.

Mr. MacINNIS: I am interpreting that expression in the way I think it was used. If it was not used in that way, it has no sense, and I disagree with the Minister of Finance.

Mr. DUNNING: The report shows very plainly what it means.

Mr. MacINNIS: Then the hon. member for Lethbridge went on:

> Now will any member of this house, who thinks he knows, tell us why that was?

Of course my friends to the left would say that it was because we have not sufficient money. I do not agree with that. I believe that the money is here. We have abundance of money to distribute the wealth that is produced in this country, but those who need the wealth have not the money; those who have the money do not need the wealth, and consequently it piles up and we are unemployed.

An hon. MEMBER: Oh, oh.

Mr. MacINNIS: They do not need the goods. If I misuse a word or put a word in its wrong place it is not important enough to cause all the hilarity on the other side. I was looking at the returns of the chartered banks of Canada as laid on the table by the Minister of Finance a few days ago. I find that there are 4,084,752 savings accounts in Canadian banks, totalling $1,580,000,000. But 3,770,000 odd of those accounts average only $120 each, so these people have not very much money saved up that they could spend. But I find that 536 accounts have deposits in excess of $100,000 each; in fact the average amounts to $287,500. Here is a great deal of what my friends call purchasing power that is not being used because the people who have it do not need to use it as purchasing power. This money is waiting for investment, and it is going to wait for a long time.

The Minister of Finance in his budget speech last year made the following statement:

> Profits are the mainspring of economic activity in the system under which we operate. Increasing profits are therefore the best augury for increasing employment, the best indication of the approach of the day when private industry will be able to release governmental bodies from the enormous burdens which they have had to bear in recent years.

It is quite true that in the system under which we live profits are the mainspring of economic activity. But it is not true that increasing profits are therefore the best augury for increased employment. Increasing profits

are only the prelude to unemployment. Unemployment will take place whenever we have a spell of prosperity, when profits pile up. But the commodities produced cannot be consumed, not because the people do not need them but because they have nothing to exchange for them, while the people who have the means of exchange cannot use them. That is the problem that some government in Canada will have to deal with. I am not going to say at this time in what way we should deal with it, but I submit that the problem is as stated, and until we deal with it in some way, so as to distribute the wealth that we have in this country to the people who need it, we cannot and will not get over the difficulty that confronts us.

I wish now to say a word about another matter which was brought up by the hon. member for Nanaimo (Mr. Taylor) when he spoke here on Thursday last. I would much prefer not to have to say anything on this subject, because I do not believe it is a matter in which hon. members are particularly interested. But to remain silent might be misconstrued. In beginning his remarks on the subject I have in mind the hon. member quoted from his maiden speech in this house in 1936. After finishing his quotation from Hansard he said, as reported on page 184:

Nor was he—

Referring to himself—

. . . to know that within five months of that night he would be placed on suspension by that coherent group and thrown into line for complete expulsion in February of 1937.

The coherent group referred to being the Cooperative Commonwealth Federation. As the hon. member for Nanaimo considered it necessary to discuss this matter he should have told this house that before he was dropped from the Cooperative Commonwealth Federation he had been a member of a rival political party for several months. He sat in this house during the whole of last session without letting this house know where he stood. So if, as he says, honesty and consistency compel him to declare himself now, honesty and consistency should have compelled him to take that action a year ago.

Mr. MACKENZIE (Vancouver): What political party was that?

Mr. MacINNIS: I will mention it by and by. Indeed honesty should go much further. It should cause him to resign his seat and give the people who elected him on the Cooperative Commonwealth Federation program an opportunity to approve or disapprove his action. However, there was method in his silence. When he left the Cooperative Commonwealth Federation he with a few others formed a new party, the Social Constructive party. He no doubt hoped that when he came here this session he would be able to announce himself as the spearhead of a real socialist political movement in Canada. Things however do not always turn out as we wish. His party was absolutely rejected by the electorate of British Columbia, and no longer exists. He has therefore come to the profound conclusion that he is definitely of the "Liberal structure of mind", and sees no reason why the Liberal party should not open its ranks to him. I agree with him in that respect; I think he is Tory enough to find an abiding resting place in the Liberal fold. But when he says that the Cooperative Commonwealth Federation in British Columbia is not a coherent group, and no longer represents a truly foundational opposition to the existing so-called capitalist party, I do not agree with him, because the facts are all to the contrary. Despite the opposition of the old parties, and the party of which my hon. friend was a member, we maintained our numerical strength in the British Columbia legislature, and it is an accepted fact that the Cooperative Commonwealth Federation group was very coherent and the only effective opposition in the British Columbia legislature during the recent session. If the hon. member for Nanaimo does not know these facts he should read the British Columbia press, preferably with an open mind.

With much of what my hon. friend had to say regarding the communist party I agree. That party does try to get into and control other organizations, political, industrial and social. That policy, however, is not confined to this country. The way to overcome the machinations of the communist party is to oppose them, not to run away as my hon. friend did. We also know that the British Columbia section of the Cooperative Commonwealth Federation dealt definitely and decisively with the communist party at its last convention in July, 1937.

Why did my hon. friend raise the communist bogey? A short excerpt from the speech which he quoted the other evening, his maiden speech of 1936, will give a clue to what he had in mind. I quote from his speech on that occasion, referring to Hansard at page 182:

But, sir, I do ask this honourable house and its members not to confuse the Cooperative Commonwealth Federation group of seven with those who in present day colloquial speech are classed as communists and anarchists. To do that is all too common; but if you must do it, it will not ultimately harm us.

May I say to my hon. friend, as he said then, that if he must do it, it will not ultimately harm us. He continued:

> Nearly two thousand years ago those who followed the Master heard the term "Christian" spoken in utter opprobrium, and it did not hurt his followers. But these terms are intended by many in the house and all through the country to bring into derision the cause we uphold.

Nothing more need be said in regard to that, but my hon. friend's closing remarks when dealing with this subject the other night were truly pathetic in their transparency. He said, quoting from page 166 of Hansard:

> So it is that while still a socialist I declare that I am essentially of the liberal structure of mind, and while my election in 1935 constrains me to call myself an independent for the time being I recognize the weakness to the country and my people in the stand I am constrained to take. I definitely believe that there are many not only potential but essential socialists in the Liberal and Conservative ranks, and I believe it would be to the advantage of the country and its progress if the leaders of the old line parties would declare their readiness to embrace all proper to their particular structure of mind, no matter how their intelligence and purpose may desire constitutionally to vary the country's present economy and economic social system.

Out of this statement the following syllogism emerges:

1. "I am a socialist of the liberal structure of mind."
2. "The leaders of the old parties should embrace people of their particular structure."
3. "Therefore the leader of the Liberal party should embrace me."

As one who is truly interested in the welfare of the hon. member for Nanaimo I hope that party will not turn a deaf ear to his appeal.

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, before proceeding to discuss a number of questions which have been raised in the course of the debate I should like to add my congratulations to those already extended by other members of the house to the mover and the seconder of the address. It was quite evident, I think, from the high quality of their speeches, that they will add considerably to the strength of the government benches, and I believe it was equally evident that both the hon. member for Lotbinière (Mr. Francœur) and the hon. member for Renfrew North (Mr. Warren) will bring honour and distinction to the constituencies which they represent in this parliament.

I hope my hon. friend who has just spoken will forgive me if I do not follow him in the course of his argument. I shall have occasion a little later to take issue with him in some of his conclusions.

On Monday of last week I listened with a great deal of interest to the speech delivered by the right hon. leader of the opposition (Mr. Bennett). It did seem to me at the time that this speech was a mixture of righteous indignation and unrighteous criticism. I thought then, and I still think, that some of the statements and charges made in the course of that speech went much beyond the amenities of parliamentary debate, and I feel quite sure that members of the house who have had a longer experience of parliamentary discussion than I have had would share that impression with me.

Some of the thunderbolts of my right hon. friend were directed against persons outside of this house, who are not in a position to defend themselves; some were directed against individual members of the government, including myself. In dealing with the subject matter of some of these charges, as I propose to do a little later, I should like to make it quite clear to the house at the outset that I do not do so with any desire for immunity from criticism or with any feeling that any special importance should be attached to questions of personal vindication. Criticism is a legitimate and necessary function of the opposition under our parliamentary system, and it follows as a matter of course that the leader of the opposition must have the utmost freedom in his comments on any and every aspect of government policy. Nevertheless it is equally clear, I believe, that freedom of this kind is almost certain to be abused unless it is restrained by a sense of responsibility, and I do not think it is going too far to say that in the course of his speech on Monday last my right hon. friend did exceed the limits of legitimate criticism.

Perhaps it would be idle to speculate on the motives which led him to indulge in his tirade of suspicion, rumour and denunciation, but it did occur to me at the time that he might wish to create a diversion—I think that is the military term—in order to cover his retreat from Winnipeg to Edmonton; his movement, so to speak, from the old Conservative policy of 1928 to the new Conservative policy of 1938. My right hon. friend has had some experience in changing direction suddenly, but I cannot help but believe that he would wish to execute this manoeuvre behind a smoke screen of some kind, because otherwise it might appear that he, the commander, was some distance ahead of his army, or it might even appear that he had no army at all. But all these are questions, of course, on which I cannot hope to speak with authority.

Before dealing with some of the charges made by the leader of the opposition I believe it will meet with the wishes of hon. members on both sides of this house if I review briefly the unemployment situation and the figures with respect to relief, in the light of developments which have taken place during the past year. As announced in the speech from the throne, there has been a marked increase in employment and a marked decrease in the numbers of those receiving unemployment aid. I am sure that statement in the speech from the throne was received with general satisfaction. As a matter of fact, I think it is fair to say that it is a very moderate statement of the improvement that has taken place during the past year, and particularly during the six months from April to October.

As members of the house are aware, there has been some criticism in the past owing to the lack of comparability in the figures respecting the number of those on relief. Fortunately we are now in a position where we can say that there is strict comparability, so far as comparisons of last year and the year previous are concerned. The registration conducted by the national employment commission began in September, 1936, and has continued steadily from that time forward. The figures which I propose to give to the house and which will illustrate the improvement which has taken place during the past year are figures from the registration conducted by the national employment commission.

I think it is well to explain that there is an unavoidable time lag in the publication of figures from the registration of those on relief. It will be readily understood that the figures for October cannot be sent in by the municipalities and provinces all across the dominion until after the end of the month or some time early in November. It is equally clear that these figures cannot be assembled and analyzed without some loss of time. At the same time I am pleased, however, to be able to say to the house that the delay has been decreased and we are hoping for a still further improvement as time goes on.

The usefulness of the registration has been amply revealed by our experience during the past fifteen months. For example, it enables us to measure the changing trends in the unemployment situation from month to month. It also enables us to measure seasonal variations with respect to particular sections of the dominion. This has been of considerable importance in dealing with problems of transiency of the single unemployed and also in the formulation of projects suitable to different sections of the country under the appropriation for youth training. Finally, it has been of great importance in connection with our periodic revision of grants in aid.

Apart from these advantages, which after all concern administration, I think it is fair to say that the usefulness of the registration of the unemployed on relief has become quite evident in another direction. The time was when we were confronted with these staggering figures of millions or hundreds of thousands and were left with the impression that they represented the total of those who were actually employable and unemployed in this country. I have even seen this suggestion in some newspaper editorials and I was very much surprised to note that the actual figures had not been analyzed more carefully before such a suggestion was created. However, through the registration, through bulletins issued by the national employment commission and through press releases, I believe there is now throughout the country a much more accurate appreciation of the problem of unemployment and relief.

We have been able, so to speak, to separate the total problem into its constituent elements of social and economic significance. We now make a distinction in our thinking between those who are receiving agricultural assistance and those who are receiving unemployment aid. We now make a distinction between those who are employable and those who are unemployable. We also make a distinction between those who are dependent and on relief and those who are heads of families or who are individuals capable of employment. As I have suggested, all this has given us a better appreciation of the problem itself and a clearer recognition of the definite progress that has been made, particularly during the past year, in the absorption by private industry of very large numbers of those who were employable and on relief.

I think I can best convey the improvement in the employment situation, and its reflection in the reduction of relief rolls in the industrial areas, by giving a summary of the completed figures of registration for the month of October. As I have suggested, these figures are comparable with the figures for October, 1936. The registration conducted by the national employment commission began in September of that year. I might say that the complete figures for November, 1937, and the preliminary figures for December will be available in a few days.

First of all, there is the material aid given to persons other than resident farm operators. I want to emphasize the distinction between agricultural assistance and unemployment aid because, after all, agricultural assistance is a different problem. Agricultural distress is mainly due to climatic causes and cannot be attributed in a large way to the operation of economic factors or policies. The reduction in the dominion total of recipients of unemployment aid in October, 1937, as compared with October, 1936, was 44·3 per cent. The decrease in the dominion total of partially employable persons in the same year was 23·5 per cent, and the decrease in the dominion total of unemployables was 9·4 per cent. The decrease in the grand total of non-agricultural aid recipients, including individuals and heads of families and their dependents, amounted to 36·7 per cent.

I turn next to those in receipt of agricultural aid. In the year under review the decrease in the total of farmers and their families, other than in the province of Saskatchewan, receiving aid, amounted to 71·3 per cent. This decrease is a clear reflection of the improvement in crop conditions in most of the provinces of the dominion, and it also brings home to us the serious disaster which has befallen Saskatchewan during the past year. The increase in the total of farmers and their families in Saskatchewan receiving agricultural aid was 95·3 per cent. The increase in the total for all provinces of those receiving agricultural aid was 22·4 per cent.

I come now to all classes receiving material aid, that is, those receiving unemployment aid and those receiving agricultural assistance. From October, 1936, to October, 1937, there has been a net decrease of 20·3 per cent. Perhaps I might also give a summary of the preliminary figures for November of this year as compared with November of 1936. It would seem that the figures for fully employable persons will still be about 40 per cent below those for November of the previous year. There has been an increase of about ten per cent over October, 1937, in the total number of persons receiving aid, but this change is one that we would have anticipated because of the variations in seasonal employment. There has been a decrease of 15·7 per cent, as compared with November, 1936, in the total of all classes receiving aid.

With the consent of the house and for the information of hon. members I should like to place on Hansard a number of tables which will illustrate and clarify the statements I have just made. They are as follows:

Percentage Distribution of Population and of Numbers of Persons on Aid, amongst Eight Provinces Paying Aid in October, 1937

	Population according to the 1931 Census		Total persons on Aid October, 1937	
	Number	Per cent of total of 8 Provinces*	Number	Per cent of total of 8 Provinces
Prince Edward Island	88,038	0·9	937	0·1
Nova Scotia	512,846	5·1	6,557	0·8
New Brunswick	No Registration			
Quebec	2,874,255	28·9	136,764	17·1
Ontario	3,431,683	34·5	161,959	20·1
Manitoba	700,139	7·0	41,547	5·2
Saskatchewan	921,785	9·3	358,385	44·5
Alberta	731,605	7·3	52,155	6·5
British Columbia	694,263	7·0	45,584	5·7
Total—8 Provinces	9,954,614*	100·0	803,888	100·0

*To make comparison, population of New Brunswick is not included, since that province was not paying aid.

From the Registration, all Persons on Material Aid, to which the Dominion Government contributed

—	October 1936	October 1937	Net Increase or Decrease October, 1937, compared with October, 1936	
			Percentage	Number
A—All Persons on Material or Agricultural Aid—				
Dominion Total	1,008,796	803,888	− 20·3	− 204,908
Prince Edward Island	934	937	+ 0·3	+ 3
Nova Scotia	13,828	6,557	− 52·6	− 7,271
New Brunswick		No Registration.		
Quebec	330,176	136,764	− 58·6	− 193,412
Ontario	279,814	161,959	− 42·1	− 117,855
Manitoba	58,342	41,547	− 28·8	− 16,795
Saskatchewan	196,498	358,385	+ 82·4	+ 161,887
Alberta	63,661	52,155	− 18·1	− 11,506
British Columbia	65,543	45,584	− 30·5	− 19,959
B—All Persons on Material Aid—				
Dominion total	729,527	462,050	− 36·7	− 267,477
Prince Edward Island	789	811	+ 2·8	+ 22
Nova Scotia	13,828	6,557	− 52·6	− 7,171
New Brunswick		No Registration.		
Quebec	276,161	133,131	− 51·8	− 143,030
Ontario	252,299	157,431	− 37·6	− 94,868
Manitoba	51,587	40,740	− 21·0	− 10,847
Saskatchewan	39,493	51,804	+ 31·2	+ 12,311
Alberta	38,172	31,597	− 17·2	− 6,575
British Columbia	57,198	39,979	− 30·1	− 17,219
C—All persons on Agricultural Aid—				
Dominion total	279,269	341,838	+ 22·4	+ 62,569
Prince Edward Island	145	126	− 13·1	− 19
Nova Scotia	.....	.....	.....	.....
New Brunswick		No Registration.		
Quebec	54,015	3,633	− 93 3	− 50,382
Ontario	27,515	4,528	− 83·5	− 22,987
Manitoba—Total	6,755	807	− 88·1	− 5,948
Drought	4,672	.....	−100	− 4,672
Non-drought	2,083	807	− 61·3	− 1,276
Saskatchewan—Total	157,005	306,581	+ 95·3	+ 149,576
Drought	122,238	180,830	+ 47·9	+ 58,592
Non-drought	34,767	125,751	+261·7	+ 90,984
Alberta—Total	25,489	20,558	− 19·3	− 4,931
Drought	11,306	14,379	+ 27·2	+ 3,073
Non-drought	14,183	6,179	− 56·4	− 8,004
British Columbia	8,345	5,605	− 32·8	− 2,740

From the Registration Numbers of Fully Employable Persons on Aid to which the Dominion Government contributed

—	October 1936	October 1937	Net Increase or Decrease October, 1937, compared with October, 1936	
			Percentage	Number
Dominion Total	214,271	119,431	−44·3	−94,840
Prince Edward Island	138	107	−22·5	− 31
Nova Scotia	4,249	1,923	−54·7	− 2,326
New Brunswick	No	Registration		
Quebec	83,982	37,193	−55·7	−46,789
Ontario	70,884	36,612	−48·3	−34,272
Manitoba	15,975	12,104	−24·2	− 3,871
Saskatchewan	8,730	12,021	+37·7	+ 3,291
Alberta	12,410	8,742	−29·6	− 3,668
British Columbia	17,903	10,729	−40·1	− 7,174

Above table includes heads of families; individuals without dependents; and dependents (other than wives) who (a) were previously employed but are now unemployed and (b) who are between ages 16 and 29 years and were never gainfully occupied.

Resident farm operators (i.e., farmers) and their dependents are not included in arriving at this classification.

From the Registration Numbers of Partially Employable and Unemployable Persons on Aid to which the Dominion Government contributed

—	October 1936	October 1937	Net Increase or Decrease October, 1937, compared with October, 1936	
			Percentage	Number
Partially Employable—				
Dominion Total	33,929	25,963	−23·5	−7,966
Prince Edward Island	28	29	+ 3·6	+ 1
Nova Scotia	391	107	−72·6	− 284
New Brunswick		No	Registration	
Quebec	8,354	5,006	−40·1	−3,348
Ontario	11,654	8,686	−25·5	−2,968
Manitoba	3,071	3,230	+ 5·2	+ 159
Saskatchewan	2,759	2,208	−20·0	− 551
Alberta	2,371	2,150	− 9·3	− 221
British Columbia	5,301	4,547	−14·2	− 754
Unemployable—				
Dominion Total	19,152	17,344	− 9·4	−1,808
Prince Edward Island	157	184	+17·2	+ 27
Nova Scotia	73	13	−82·2	− 60
New Brunswick		No	Registration	
Quebec	2,794	962	−65·6	−1,832
Ontario	9,092	9,694	+ 6·6	+ 602
Manitoba	1,111	260	−76·6	− 851
Saskatchewan	1,498	2,824	+88·5	+1,326
Alberta	844	758	−10·2	− 86
British Columbia	3,583	2,649	−26·1	− 934

Above table includes heads of families; individuals without dependents; and dependents (other than wives) who were previously employed but are now unemployed.

Resident farm operators (i.e., farmers) and their dependents are not included in arriving at this classification.

Mr. HEAPS: Would the minister tell us how the term "unemployment" is defined by his department?

Mr. ROGERS: In answer to that question, which perhaps I could answer more satisfactorily when the estimates of the department are before the house, I would simply say that so far we have taken, as we have been obliged to take, the returns of the municipalities which have made these returns to us, and there has been a very wide variation in the returns of unemployables from different municipalities. Some municipalities will report the unemployables as representing five per cent of the total, and others as representing as high as twenty per cent of the total. That is the situation at the present time. I might say, however, that in our agreements with the provinces covering the remainder of the fiscal year we are trying to secure some general understanding as to a proper definition of unemployability.

I do not propose to enter more fully at this time into a survey of unemployment and relief, but I shall take a very early opportunity to place the whole situation before the house, and also to indicate the success which has attended the various policies which have been adopted by the government in dealing with the several aspects of this problem.

I turn now to some of the charges made by the right hon. leader of the opposition in the course of his speech in this debate. It did seem to me that the most flagrant of those charges was his attack on the members of the royal commission on dominion-provincial relations. That attack, let it be understood, was not born of impulse. It was not provoked by the cross-fire of debate. It was premeditated and deliberate.

Mr. BENNETT: Hear, hear.

Mr. ROGERS: Quite so; and it was designed to impair the usefulness of a commission which was asked to conduct the most important investigation in this country since confederation.

Mr. BENNETT: That is not so.

Mr. ROGERS: The Chief Justice of Ontario and Mr. Dafoe are very well known in all parts of Canada.

Mr. BENNETT: I say directly that there was no design of that character. It was a criticism against the one type of politician that constitutes that tribunal.

Mr. ROGERS: The Prime Minister (Mr. Mackenzie King) has already dealt very effectively with that point in his speech in reply to my right hon. friend. I might also remind him that in Great Britain, as well as in other countries, it is not the exception but the custom for one who has been attorney general to move from that position to the position of Lord Chief Justice; and the Lord Chancellor, who sits in the Privy Council, has himself political functions to perform and is actually a member of the administration of the day. Surely it is a strange thing to suggest that the chief justice or any other member of our courts is not able to conduct his duties as a royal commissioner with complete impartiality and competence.

Mr. BENNETT: That was not the point. The point was there was no representative of other than Liberals on the commission.

Some hon. MEMBERS: Order.

Mr. ROGERS: Mr. Speaker, as I have just suggested, the integrity and competence of the Chief Justice of Ontario and Mr. Dafoe are recognized in all parts of this country, and I doubt very much if there are many people who will attach any very great weight to the charges brought against them by the leader of the opposition. Doctor R. A. MacKay is not so well known in all parts of this dominion, and for that reason, in my opinion, the attack upon him was even more inexcusable. Let me give to the house the words used by my right hon. friend in referring to Doctor MacKay, representative of the maritime provinces on the royal commission on dominion-provincial relations. He said:

> With regard to the gentleman who represents the maritime provinces, I repeat that for bitter partisanship I have never known his equal.

Mr. BENNETT: Hear, hear.

Mr. ROGERS: He went on:

> I say further that he published a book recently and sent the proofs of it for revision to many people throughout this dominion, and from beginning to end it was a tissue of misrepresentations and false statements that had to be corrected in order that it might have a semblance of truth attached to it.

Mr. BENNETT: Hear, hear.

Mr. ROGERS: Might I ask my right hon. friend, is a book published when the proofs are submitted for revision, or is it published when it is printed and distributed?

Mr. BENNETT: Presumably both. As a matter of law, it is published when the proofs are sent out.

Mr. ROGERS: It is quite obvious that Doctor MacKay wished to have comments if he sent these proofs to various people, and my right hon. friend himself recognizes that Doctor MacKay was prepared to alter the text before actual publication was made.

Mr. BENNETT: The point was, there is no excuse for a man making false statements for a matter of record.

Mr. ROGERS: It is sometimes a matter of opinion whether a statement is false or not.

Mr. BENNETT: There is no question about it; it is a matter of record—printed record too.

Mr. ROGERS: As a matter of fact, shorn of some of the extravagant language of my right hon. friend, the substance of his attack on Doctor MacKay is this, that Doctor MacKay wrote a book that the right hon. gentleman did not like, and he joined a commission that the right hon. gentleman did not like. I think that may fairly be said to be the sum and substance of his indictment against Doctor MacKay, and for these offences he is branded as a bitter partisan from one end of the country to the other, in a manner which was calculated to injure him in his profession, and which might well have been actionable in slander if the words used had been used by a private citizen.

Mr. BENNETT: I made them publicly, and I am liable to action if he wants one outside of this house.

Mr. ILSLEY: You attacked him for being from Ontario, outside the house.

Mr. BENNETT: I suppose that is libellous too, is it? I admit it may be libellous in this case.

Mr. ROGERS: I have known Doctor MacKay for ten years. He occupies the position of professor of government at Dalhousie university, of which my right hon. friend is a distinguished alumnus.

Mr. BENNETT: I am a governor as well.

Mr. ROGERS: May I remind the leader of the opposition, in that event, that to hold the chair of government in Dalhousie one is obliged to agree not to participate in any way in political affairs. Doctor MacKay has never made a political speech and has never appeared on a political platform, and yet my right hon. friend says he is a bitter partisan.

Mr. BENNETT: Hear, hear.

Mr. ROGERS: I go further and say that Doctor MacKay enjoys the highest respect throughout university circles in this dominion. He has been active in the work of the League of Nations Society and equally active in the work of the Institute of International Relations; he was chosen by the Carnegie Foundation of the United States to conduct a very important survey of Canadian and American relations. I doubt very much if the reputation of Doctor MacKay is going to be injured seriously by what the right hon. gentleman has said, but at the same time I do feel that something in the nature of an apology or correction is required in the circumstances.

I now turn from this charge to one which concerns me personally. I refer to the charge brought against me by the leader of the opposition because of certain views I expressed on the incidence of the tariff as counsel for the government of Nova Scotia in the economic inquiry of 1934. After listening very carefully to the leader of the opposition on Monday, I concluded I had just fallen short of committing high treason for having stated in very definite terms that the protective tariff had imposed unequal burdens on the several provinces of the dominion. I had turned east against west, and west against east; I had undermined the foundations of confederation, and I was guilty of some measure of moral obliquity because I had become a member of the Liberal administration that had not abolished the tariff. Well, Mr. Speaker, if all this were true it would be a heavy load of responsibility for one person to carry, but perhaps the leader of the opposition will be surprised, and possibly he will be relieved, when I tell him that I have slept reasonably well during the past week, that I have had no overwhelming conviction of sin—

Mr. BENNETT: It took some time preparing the speech, though.

Mr. ROGERS: —and my conscience, so far as his charges are concerned, has been quite composed. The basis of these grave charges—and I call them grave even although they were nebulous—was his assumption and his assertion that I had advocated the abolition of the Canadian tariff as the remedy for the maladjustments and inequalities of the protective system in its operation in this country during the past sixty years. My answer is, and I give it in the most definite and unequivocal terms, that I did not advocate the abolition of the tariff, either in the submission made to the Nova Scotia economic commission or at any other time, and I challenge the leader of the opposition to read the brief and repeat his accusation.

Mr. BENNETT: We will do it later, and in more detail.

Mr. ROGERS: Well, my right hon. friend had the brief in his hand the other day.

Mr. BENNETT: He did.

Mr. ROGERS: And he chose simply to quote from it certain isolated extracts which seemed to fit in with what he wished to say in criticism of the government at that time. But I doubt very much if my right hon. friend has ever read the brief from beginning to end, even though he used it as the basis of this charge against me.

Mr. BENNETT: Well, I have read it, but I have not read it very carefully.

Some hon. MEMBERS: Oh, oh.

Mr. ROGERS: I ask my right hon. friend to read it more carefully, for I concluded as much myself. My views on the tariff can be expressed very simply. The tariff is an instrument of policy. If it is used at all other than for purposes of revenue in a federal state it should be used with due regard to its effect upon the maintenance of national unity. Where you have a situation such as exists in Australia and Canada, where secondary industries are largely concentrated in two provinces and where primary and export industries are largely concentrated in other provinces, you cannot move to extremes in tariff policy without endangering national unity and without undermining the very foundations of federal public finance. A high tariff policy will threaten national unity, and no one ought to know it better than the leader of the opposition. Similarly, whatever may have been possible sixty years ago, the abolition of tariffs at this time would disrupt confederation. In any realistic view of our present situation the course of wisdom is the course of moderation.

But while we retain a tariff system I submit that we should keep constantly in mind that there are seven provinces in this dominion whose income is supplied very largely, in some provinces almost exclusively, by primary and export industries, and we must be willing also to study the unequal incidence of the tariff and be prepared to apply such compensating adjustments as may be practicable. That is the position which I developed before the royal commission of economic enquiry in Nova Scotia. That is the position which I hold to-day. It is a position which, I believe, is entirely con-

sistent with Liberal policy. It is a position which is entirely inconsistent with the traditional policy of the Conservative party.

In this connection let me remind the leader of the opposition that this present administration has already recognized the claims of primary and export industries in three directions. It has reduced the duties on implements of production. It has concluded a reciprocity agreement with the United States which has conferred special benefits on those provinces which have suffered most from the incidence of the protective system. And it has revised and renewed the Ottawa agreements with the same object in view, even though the negotiation of these several agreements did involve the lessening of protection of some of our secondary industries. Finally, this administration has appointed a royal commission to make a thorough inquiry into the whole structure of federal public finance. If the leader of the opposition has any doubts as to the validity of these conclusions which were presented to the Nova Scotia commission of economic inquiry, I would remind him that the Canadian Manufacturers' Association, in their brief presented to the royal commission on dominion-provincial relations, recognized in effect that the tariff had been unequal in its incidence and suggested the wisdom of some compensating adjustments.

Mr. BENNETT: So has the Conservative party.

Mr. ROGERS: I would also remind my right hon. friend that in Australia, where as I have suggested conditions are very similar to those in Canada, there have been careful investigations into this whole matter. The leader of the opposition spoke the other day of Professor Copland, with, I thought, a measure of respect and admiration. I wonder if he is aware that Professor Copland was a member of a commission of economic inquiry which made a thorough study in 1929 of the effects of the tariff in Australia?

Mr. BENNETT: He was.

Mr. ROGERS: And is he also aware that as a result of this inquiry it was found that the tariff has pressed unequally on various sections of Australia?

Mr. BENNETT: Yes.

Mr. ROGERS: And that various remedies were suggested to correct the discrimination thus produced? I might very well place on Hansard at least a section of the appendix to that report, because it refers particularly to this very matter to which my right hon. friend has taken exception. These are the words used by this commission on the Australian tariff in 1929:

(1) The unequal effects between states are probably the most embarrassing consequences of the tariff, but they have their roots in the unequal effects between industries, which are natural and inevitable consequences of tariff protection. Were Australia one small, compact economic unit, in which the benefits of protection were thoroughly diffused, in which one common tax system operated, and in which development expenditure was equally shared, differences between areas would be less important. But with our diverse geographical conditions and our federal system of government this is not the case.

(2) The distribution of Australian industries has been substantially modified by the tariff. Assistance to protected industries has been provided chiefly at the expense of the export industries. We have shown that these industries are retarded and that their land values have been curtailed. The costs imposed upon them have been borne chiefly in the country districts and in the outlying states, which are more naturally adapted for the export industries.

I doubt if there is any advantage in my going further with this quotation. The leader of the opposition has promised he will read the submission, and he will find this particular extract on page 181 of the brief.

The leader of the opposition referred also in the course of his speech the other day to the celebrated debate in the United States between Webster and Hayne. Let me quote his words:

No man who is familiar with the history of the United States—

I would like the house to keep that in mind.

—can fail to remember the great struggle that took place between the states and the central power. The suggestion that the states were sovereign powers was put forward by Calhoun and Hayne. The great debate in the Senate between Webster and Hayne was to decide whether they should have a strong union or whether there should be a group of sovereign states gathered together in a loose form of government. That was the issue, but the reply of Webster in the Senate settled the matter. Hundreds of thousands of copies of his speeches were circulated in every part of the union, and the cry that had gone forward for the establishment of sovereign states ended.

Now, from beginning to end of that reference by my right hon. friend there is no suggestion that the cause of the crisis in the United States at that time was the extreme tariff which had fallen with special injury upon the southern and western states, and that what precipitated the debate between Webster and Hayne was the threat of South Carolina of nullification, the threat that it would not permit the collection of tariff duties within the state of South Carolina. That was the actual cause of that debate.

Mr. BENNETT: No, not according to Mr. Webster.

Mr. ROGERS: Well, Mr. Speaker, my right hon. friend has suggested that this crisis was solved by an eloquent appeal by Webster for national unity.

Mr. BENNETT: He said he had been preparing his speech all his life.

Mr. ROGERS: Well, there were others who were preparing more effective measures for dealing with a crisis of that kind. That crisis was not settled by the eloquence of Webster. It was settled by a message from President Jackson to the United States congress asking that duties which had risen to the level of forty-nine per cent on the average should be reduced from 1832 to 1842 to an average of twenty per cent. That was the way in which that crisis was settled. I refer to it now merely to remind my right hon. friend that this question of the tariff in its effect upon the relations of the federal system has been recognized elsewhere. And is a man to be charged with an offence against his country because he seeks to bring out light in a similar way with respect to the effect of the Canadian tariff upon federal relations in this country? I doubt whether there is any advantage in pursuing this point except to say that, as regards the main positions taken in the submission to the Nova Scotia commission, I have no desire to recall them; and I do not propose to recall them. My one regret has been, and I say this to the house quite frankly, that some of the computations made in the course of that brief, and which were placed upon Hansard by my right hon. friend the other day, have been published in some of our newspapers without some of the explanations and reservations that must always accompany such an analysis of the effects of the tariff upon various regions of the country.

Now I pass on to consider another matter of some importance to the house, one which also contains within it at least the suggestion of an accusation. In his reference to unemployment insurance the other day the leader of the opposition said:

> It is well known, of course, that the case with respect to unemployment insurance was not presented to the courts. No one knows that better than the Minister of Labour. It was not, for the simple and obvious reason that admissions, which constituted the basis of the judgment of the court, were made.

I would suggest that these words are at least capable of the construction that the Minister of Labour may have had some prior knowledge that admissions were to be made and that for this reason he might be guilty of an act of barratry against legislation in the interests of the labouring people of the country.

Mr. BENNETT: I at once assure the hon. gentleman that such was not the case. He was on demurrage at the time in London.

Mr. ROGERS: Precisely. I wished very much to have that assurance, because when my right hon. friend mentioned the other day that I had knowledge of this question I could not recall having heard any reference to the matter apart from the speech made by the leader of the opposition after the announcement was made of the decisions of the privy council last year. I have not heard the suggestion in any other quarter apart from the references made to the same subject by the hon. member for St. Lawrence-St. George (Mr. Cahan) on Friday last, and I should like to deny in categorical terms that either the Minister of Labour or the government was responsible in any degree for admissions made which might lead the privy council to declare this legislation invalid.

Mr. BENNETT: I assure the hon. gentleman again, I did not make any such suggestion.

Mr. ROGERS: What I suspect did happen was this, that in the course of questioning, which often accompanies argument before the privy council, one of the counsel for the dominion was asked, for example, whether the general subject of insurance did not properly lie within property and civil rights, and no doubt he would make the admission that insurance generally would fall within that subject; but he would at once proceed to give the argument as to why it should be taken out of that subject and placed under the subjects in section 91 of the act.

Mr. BENNETT: That is not the argument reported in the London Times.

Mr. ROGERS: At all events, I think this government can fairly say that with respect to this unemployment insurance measure we have proceeded with due regard for constitutional propriety; and we have wished above all else to have upon our statute books an act of unemployment insurance which would be operative and would not be subject to attacks in the courts. I wonder sometimes if my right hon. friend realizes the chaos and confusion that would have resulted had he set up an organization running into thousands of employees across the country under his act of 1935 and then have that act thrown out in the courts. It would have caused a condition

of indescribable confusion, not only to those who had been employed as members of the staff of the unemployment and social insurance commission, but also to those industries throughout the country which would have been obliged in the interval to adjust much of their office procedure to the requirements of the unemployment insurance returns.

I have sometimes wondered when it was that the leader of the opposition determined in his own mind that this parliament could of itself appropriate the jurisdiction to deal with unemployment insurance. My right hon. friend spent some time in Geneva in the autumn of 1934, and I have wondered whether it was while he was there that he decided that this parliament had competence to deal with unemployment insurance; because as a matter of fact as late as November 27 of that year the then Secretary of State declared in very definite terms that the jurisdiction to deal with unemployment insurance lay properly with the provinces, and in making that statement he was merely declaring what had been generally understood as a result of the decisions in the courts over a long period of years. My right hon. friend may also recall that just prior to his sailing for Geneva in the autumn of 1934—it was at the end of August, as I recall it—he sent a letter to the provincial governments of the dominion. In that letter he recognized clearly that the exclusive jurisdiction to deal with unemployment insurance lay with the provinces, and that applied equally to other matters which he later made the subject of legislation in the session of 1935. As I have said, I do not know when the leader of the opposition changed his mind upon these matters, and it is quite evident that he does not desire to tell the house when he was converted upon this point.

Mr. BENNETT: I will tell him now.

Mr. ROGERS: I shall be pleased to know.

Mr. BENNETT: If the hon. gentleman will read the judgments of the privy council in the aeronautics case and in the radio case in the light of the subsequent discussion he will discover there the reasons.

Mr. ROGERS: Well, the radio case and the aviation case turned upon the question whether or not our ratification of an international convention or treaty would give us jurisdiction. But does my right hon. friend suggest that his unemployment insurance act had any connection whatever with a convention or treaty?

Mr. BENNETT: It has with a convention, not with a treaty.

Mr. ROGERS: The unemployment insurance act was not based upon a convention or a treaty.

Mr. BENNETT: It was based upon the treaty of peace, in part, as the hon. member will recall—in the recital in connection with the convention that took place under it.

Mr. ROGERS: I have not the act before me.

Mr. BENNETT: You can get it.

Mr. ROGERS: The preamble, however, does not declare that the jurisdiction of the dominion parliament in this matter rests at all upon the ratification of a treaty or convention, but I am quite willing to wait until it is possible to get a copy of the text. I should like, however, to say this. We have felt, as the leader of the opposition has felt, and, I believe, as it is recognized on all sides of the house, that if we are to deal with this problem of economic insecurity, which is the great problem of our generation, we ought to have in Canada an organization and a statutory method of dealing with casual, seasonal and cyclical unemployment. It was with this in mind that the present administration, having found that the legislation of 1935 was not valid, invited the provinces to cooperate in order that an unemployment insurance measure might be introduced at the present session. It has been suggested in some quarters that in taking that action the present government has encroached on provincial autonomy. Surely that cannot be urged up to the present. Instead of appropriating jurisdiction we have asked the provinces to consent to transfer jurisdiction. We have invited them to cooperate with us in making it possible to put this legislation through. If there had been consent on the part of all provinces, as it was our earnest hope there would be, no question of invasion of provincial autonomy could possibly have been raised. As it is, some provinces have indicated that they are not as yet willing to concede that jurisdiction. But I believe it is the will of this house and of the country generally that this government should do its utmost within the bounds of constitutional propriety to proceed with this measure as soon as possible.

Now, Mr. Speaker, I should like finally and briefly to turn to the amendment—

Mr. SPEAKER: The hon. member has exhausted his time, but it may be that the house is willing to grant some indulgence—

Some hon. MEMBERS: Go on.

Mr. ROGERS: I promise to be brief. I wish to refer to the amendment moved by the leader of the opposition in his speech on Monday last. That amendment is in the following terms:

We desire respectfully to express regret that the speech from the throne does not indicate that the government have taken or contemplate taking efficient measures to deal with unfavourable economic conditions in Canada, and that no legislative action is proposed to deal effectively with the prevailing uncertainty and insecurity resulting from the inadequate incomes of large numbers of our people.

I should like to say first that the figures I was able to quote a while ago with respect to the improvement in employment made it abundantly clear that during the past year there was in fact a remarkable improvement not merely in the number of wage earners in this country but also in the number of those who previously had been in receipt of state relief but are now happily earning incomes of their own. As a matter of fact, in the period under review some 95,000 have moved from relief rolls into employment in private industry. These men and women are earning incomes where previously they were on relief. Not only that, but if one takes the latest available figures from the bureau of statistics, as of December, giving the estimate of unemployment in Canada, and carries the statistics back to 1930, the following is shown:

Estimate of Unemployment in Canada

December—	
1930	413,000
1931	543,000
1932	675,000
1933	623,000
1934	571,000
1935	546,000
1936	502,000
1937	381,000

In other words, during the past year there has been an improvement to the extent of 120,000. I should explain to the house that these figures include those who have been unemployed but not upon relief. The earlier figure I gave of 95,000 covers only those who previously had been on relief.

It might also be pertinent I think to place before the house the actual improvement in wages and earnings which has taken place during the past year. Wage rates during 1936 and 1937 have continued the recovery from the low level of 1933, so that the index number for 1937 was only 2·7 per cent lower than in 1930. It was 11 per cent lower in 1935, and in 1933 it was 15 per cent lower. The greatest recovery has been in logging and saw-milling, which had an increase of 13 per cent over 1936, making the level for 1937 nearly 24 per cent higher than in 1935 and 55 per cent higher than in 1933. In manufacturing industries the increase in 1937 was 8 per cent over 1936 and 16 per cent over 1933. The industries showing the greatest increases during the year were: automobile manufacturing, 15 per cent; cotton, 11 per cent; meat packing, 19 per cent; pulp and paper, 12 per cent; crude iron and steel, 14 per cent; metal trades, 10 per cent. Wages in the building trades, which fell 24 per cent between 1930 and 1934, have risen nearly 7 per cent but are still 18 per cent lower than in 1930. On steam railways the rates were only 4 per cent below 1930 in December, and the reductions will be fully restored by April 1 of this year. On electric street railways and in printing trades and coal mining the reductions were less but increases are gradually being made. The principal coal mines in Nova Scotia raised wages nearly ten per cent in 1937.

Moreover, earnings of employees have shown considerable increases. On the principal steam railways, for the first eleven months of 1937 the total compensation paid was $160,419,196 as compared with $152,334,902 in the same period in 1936, and $144,751,921 in 1935. This is the only industry for which earnings of employees in 1937 are available. Figures for certain manufacturing industries for 1936 have been issued. In the primary iron and steel industry the total earnings of employees in 1936 were $13,830,377 as compared with $12,279,390 in 1935 and $14,934,325 in 1930. In petroleum refining, earnings in 1936 were $7,193,148 as compared with $7,046,675 in 1935, $5,897,811 in 1932 and $8,190,130 in 1930. In the men's clothing industry earnings in 1936 were $10,255,745 as compared with $8,990,370 in 1935 and $11,542,990 in 1930.

These figures cover only a very limited part of industry throughout Canada, but they are representative and illustrate the very marked improvement in wages and earnings which has taken place during the past year.

In the light of the improvement which has taken place since the present government came into office, the expanding trade, the expanding income, the expanding employment, the expanding revenues, and the declining deficits, it does seem to me that there is every reason why this house should give its confidence to this administration, even as that confidence has been given in abundant measure by the people of this country.

Mr. J. R. MacNICOL (Davenport): It is not my intention, Mr. Speaker, to deal with the remarks made by the various speakers, unless time permits me to refer to some of the last remarks made by the Minister of Labour (Mr. Rogers), who has just sat down, particularly his remarks in regard to unemployment insurance.

I want to deal first with the second sentence in paragraph 4 of the speech from the throne, which reads:

Trade with other countries has materially expanded.

With every hon. member of the house I rejoice when the trade of Canada expands, particularly if it expands along sound economic lines. Experienced business men, however, in trying to obtain more customers for that which they produce, are very careful not to alienate the loyalty of dependable customers of long standing. I claim that is exactly what this government has done, in one particular in any event, and I have time only to deal with that one particular. I refer to the anthracite coal trade. The government are so infatuated with such expressions as "expanding trade" and "trade expansion" that in my judgment they have made a very grievous error in their handling of the Welsh anthracite coal trade which may mean the loss of considerable trade to Canada in the form of produce shipped in return to Wales and, in a smaller degree, to Scotland, where we also obtain anthracite coal.

It was an incident that occurred last June in Wales, where I had gone to make my own survey of the ramifications of the anthracite coal trade, that made me determine to refer to the matter in the house on the very first available occasion. I had been asked to address a meeting of coal producers, following a dinner, in the Metropole hotel at Swansea. Just before I rose to speak a porter came into the room and handed a clipping, which I hold in my hand, to the chairman of the meeting, who afterwards handed it to me. I may say that it was on June 7 that I was at Swansea, and this clipping is dated Ottawa, May 29, containing a quotation from the Montreal Standard of that date:

Almost a whole year in advance of the next federal budget, the advance guard of the coal lobby has taken up its position on parliament hill, determined that it will succeed before another session is past in its objective of having the existing duties abolished against American anthracite and bituminous coals.

Further the quotation states:

Ontario is credited with being the chief sufferer under the existing tariffs, with Quebec bearing the balance of the burden.

The newspaper clipping does not reveal the names of any of the lobbyists, but I am satisfied that there would be none from either Nova Scotia or Alberta. I cannot speak for Quebec, but so far as Ontario is concerned I believe I can say that the people of this province are willing, and indeed glad, to give a preference to Nova Scotia bituminous coal, wherever it can be used, as against foreign bituminous coal. Likewise I believe they are glad to give a preference to Alberta coal, wherever it can be used, and to Welsh and Scotch anthracite in the importations we have to make.

Ten or fifteen years ago Canada regularly imported approximately five million tons of anthracite coal per year, all of it from the United States. Then, I claim through the good judgment of members of the house, irrespective of party, legislation or regulations, were initiated to encourage bringing Nova Scotia bituminous coal to Ontario and Quebec, as well as Alberta coal to Saskatchewan, Manitoba and northwestern Ontario. As a result our importations of anthracite coal were reduced from five million tons to three and a half million tons, at which point they seem to be fairly well established.

When the government of the present right hon. leader of the opposition (Mr. Bennett) came into power, he implemented his promise to the electorate to increase intra-empire trade, in large degree in connection with the importation of Welsh anthracite, and in substantial degree in connection with the importation of Scotch anthracite. In fact he carried out that promise in many ways, but time will permit me to deal only with this one. Let us see what the situation was as far as the importation of anthracite was concerned when the right hon. gentleman formed his government. In 1929, the last full year during which the previous government of the present Prime Minister (Mr. Mackenzie King) was in power, Canada imported 3,173,043 tons of American anthracite coal and 729,458 tons of Welsh anthracite coal. There was no Scotch anthracite imported that year. In 1934, the last full year of the government of the right hon. gentleman, thanks to his policy of increasing trade between the different parts of the empire, the situation had changed. Just here may I say that I know of no trade that is carried on with greater benefit to both the exporter and the importer than the importation of Welsh and Scotch anthracite coal in exchange for Canadian farm produce. In the last full year of the former Conservative government, 1934, importations of United States anthracite coal fell to 1,804,127 tons, while importations of Welsh anthracite increased to 1,334,517 tons. We brought in also 309,000 tons of Scotch coal, making a total importation of United Kingdom anthracite amounting to 1,643,517 tons, or not much less than the amount we imported from the United States.

What has happened to this fine trade, as a result of the "expanding trade" policy of the

present government, without regard to whether or not tried and true customers are alienated? Last year, 1937, Canada imported from the United States 1,888,860 tons of anthracite, while our total importation of Scotch and Welsh coal was reduced to 1,123,841 tons. At the same time we imported 264,048 tons from Germany, 146,648 tons from Russia, 19,000 tons from Indo-China and 20,000 tons from Belgium. In other words our total importation of foreign anthracite last year was 2,338,000 tons, while our total importation of United Kingdom coal fell to 1,123,841 tons.

An examination of these figures surely will reveal why there is a marked and rising resentment in Wales to-day in regard to Canada's anthracite coal policy. If that resentment continues I feel certain that it will be reflected in a greatly reduced number of return cargoes of Canadian farm products. For the life of me I cannot see what the government expects to gain by reducing our importations of anthracite coal from the United Kingdom by 500,000 tons and then going all over the face of the earth, to countries to which we cannot possibly ship our farm produce, in order to bring in 500,000 tons of coal to make up the difference. Personally I would much rather deal with tried and true customers like Wales and Scotland in an exchange of this kind, which is beneficial to all concerned, than go all over the face of the earth in an attempt to expand our trade, in any event in connection with this particular commodity.

A few moments ago I said that last June I made a rather extended survey of the situation in Wales. I went through the mining areas and visited many of the mines. I imagine that every one in Canada has been touched by the newspaper reports which have appeared from time to time describing the distress in the Welsh coal mining areas as a result of the reduction in exportations of coal. In my judgment it is small business on the part of this government to inflict further distress upon Wales through a reduction in the importations of coal from Wales as well as from Scotland. When visiting the different coal mining towns I saw a number of bills similar to the one I hold in my hand. These were pasted up in the different stores from which the miners purchased their supplies, but I am afraid that they will be taken down before very long. I might say that Canada's purchases of Welsh coal gave employment to 7,000 miners, and her purchases of Scotch coal gave employment to as many as 2,000 miners. These bills, which were printed both in English and in Welsh were very illuminating.

Mr. DUNNING: Read the one printed in Welsh.

[Mr. MacNicol.]

Mr. MacNICOL: I wish I could. I brought along one printed in English for fear there would not be any one in the house who could read Welsh.

This poster, issued by Messrs. T. T. Pascoe, Ltd., Coal Exporters, Swansea, reads, when translated:

Wales—Canada
Canada is buying
1,000,000 tons of
Welsh Anthracite
and 1,000,000 boxes of
Welsh Tinplates

Give your support by asking
your shopkeeper for
Canadian
Canned Tomatoes
"King's Choice"
and
Canadian
Belleville Cheese

Reciprocal trade between Wales and Canada

Sponsored by
T. T. Pascoe, Ltd., Swansea.

Other bills referred to other Canadian products. I think that is a mighty fine spirit for them to display towards Canada produce and I should like to see the government reverse its present policy.

Mr. DUNNING: They still appreciate it.

Mr. MacNICOL: The government should see that more Welsh and Scotch coal is purchased in order that more Canadian products may be purchased in those countries. When at Swansea I saw a large ship unloading a full cargo of Canadian wheat and piled up on the docks were large supplies of Canadian cheese and canned goods of one kind or another. I also inspected the method of loading coal on ships for Canada. Over there they view this matter with very grave concern. I am sure the Minister of Trade and Commerce (Mr. Euler) and other members of the government who have anything to do with the exporting of Canadian products to the United Kingdom have read reports similar to these that I hold in my hand. I should like to read a few in order to direct the attention of the government to whither they are going. The first one appeared in the Toronto Globe of September 22, 1936, in the form of an editorial, and reads:

The South Wales Miners' Federation adopted a resolution to call upon the board of trade to protest the action of the Canadian government. According to the Welsh miners, Canada's pact with Russia "must result in further loss of trade to South Wales, where there is so much depression already, and must gravely affect the livelihood of some hundreds of workmen employed in the Welsh coal fields."

The next one is a Canadian Press dispatch from London, England, dated September 30, and reads:

A deputation from the South Wales Coal-owners' Association conferred to-day with Captain H. Crookshank, parliamentary secretary to the mines department, on the subject of the lifting of the Canadian government's ban on imports of Russian anthracite.

The next one is from the old Mail and Empire, dated October 2, 1936, and reads:

The Russian anthracite is produced under conditions which are uneconomic and inconsistent with the pledges given at the Ottawa imperial conference of 1932. Canada's concession of a strictly preferred market to British anthracite formed one of the basic terms of the Anglo-Canadian treaty then agreed upon. It therefore looks as if Ottawa will be guilty of bad faith if it ratifies Mr. Euler's action in Moscow. Such bad faith might have the effect of lessening the preferred place which Canada now enjoys for its products in the markets of the United Kingdom, which are the greatest food importing markets in the world.

The next one is dated Fort Erie, October 7, 1937. This refers to a shipment of Russian anthracite to Fort Erie, and reads:

The consignment will be shipped from the sea of Azov, the Black sea and the Mediterranean sea to Montreal, and by barges to Fort Erie. A second shipment for use in industrial furnaces in this area was contemplated.

The next is dated London, November 16, 1937, and reads:

A suggestion Great Britain was losing the Canadian coal market to Russia and other countries was voiced in the House of Commons to-day.

These things are disquieting to the Scotch and Welsh buyers of Canadian products, and I find that there is a depressed feeling in the situation as far as coal exporters are concerned. Before leaving for the old country I went to see some of the coal importers in Toronto from whom I buy Nova Scotia and Welsh coal. They told me that the price of Welsh coal was perhaps a little high in Canada because of the breakage or "degradation" in shipping. They referred to the breakage-saving equipment used by German shippers. In order to make a thorough investigation of this matter I visited Rotterdam and Antwerp, the ports from which German coal is shipped. I also inspected the docks at Swansea. I got many good photographs of the equipment used in loading German coal. I was told that the ministry of industries in Germany, to which I shall refer a little later on, subsidizes the exportation of German products. I do not know whether the German government have paid any part of the cost of the equipment at Rotterdam or Antwerp, but I would not be surprised to learn that they had. I understand a large sum of money was voted last year for the encouragement of exports.

At Antwerp and Rotterdam there are four lines of railroad tracks on the docks parallel to the ships. This means that at least four different kinds of coal can be loaded into a ship at the same time. The latest type of crane is used with which to take the coal from the cars and place it in the hold of the ship. The net result is that the breakage or "degradation" is quite small. At Swansea the cars come singly to the ship and at right angles. The car is lifted on an elevator and tilted over and sometimes the coal is dropped twenty, forty or sixty feet into the hold of the ship. At other times it is dropped on an escalator. The equipment at Swansea is not equal to what they have at Antwerp and Rotterdam.

I submit that this government should initiate a national or an empire coal policy and take some steps to try to improve the method of shipping Welsh coal. This might be done, first, through approaching the British government; second, through approaching the railroads; third, through approaching the producers and, fourth, the shippers. In this way the "degradation" or breakage of Welsh coal in shipment might be reduced, with a corresponding decrease in the Canadian price of the coal.

Mr. EULER: Does my hon. friend seriously suggest that it is the duty of the Canadian government to improve the facilities for loading coal in the old country, rather than have the British government itself attend to that?

Mr. MacNICOL: I said very plainly that in my judgment it might be good business on the part of this government to approach the British government with a view to doing just that.

Mr. EULER: Most absurd.

Mr. MacNICOL: It is not absurd. We are doing many things in connection with the export of wheat and other products that you might equally well call absurd. Is it absurd to try to increase trade between Canada and Wales? I do not believe it is. I believe in developing empire trade by bringing into this country Welsh anthracite coal and exporting in return our farm products. That is good trade. In any event this government could do a lot to reduce the breakage between Montreal and Toronto.

Mr. EULER: That is a different story.

Mr. MacNICOL: The British government might welcome this government approaching them on the subject. I have talked about it and I always met a very receptive ear wherever I mentioned it in government circles overseas, none of them saying it was absurd. This government certainly can do this, and it would not be absurd; they could take steps to increase the importation of Welsh and Scotch anthracite coal into Canada, and also to increase the importation into Ontario of Nova Scotia and Alberta coal, as part of a national trade policy. Such a policy would result in providing much more employment in Canada than you will get by trying to expand trade along the lines this government has been taking, of cutting off our importations of Welsh and Scotch coal and importing it from all over the face of the earth from countries from which we get practically no return.

I want now to speak briefly on a subject on which I have spoken before in the house, namely, the necessity, in my judgment, for a ministry of industry in the federal government. I should like to see created a department whose main business it is to propagate, that is, encourage industry in this country. Twenty-three other nations have a ministry of industry, and from a survey I have made of their achievements I am convinced they have done very fine work. In some countries the department stands alone, while in others it is associated with the department of commerce; in others with the department of agriculture, and in others again with the department of labour. If the ministry of industry in this country were a ministry of industry and agriculture, it might be a success under the present Minister of Agriculture (Mr. Gardiner), who is capable and able, if he could only bring himself to realize that the interests of industry, labour and agriculture are identical so far as the benefit to the country is concerned, and that industry and agriculture are equally important. But the present Minister of Agriculture, speaking in the house as Minister of Agriculture, last session is reported to have said, at page 1636 of Hansard:

> I am one of those who believe that if we want to sell our wheat in the old country market, we should be prepared to bring back to this country the shirts we wear when we are producing that wheat and the boots we wear when we grow that wheat.

But it would be a "wow" if a day or two afterwards, as minister of industry, he rose and said this:

> I am one of those who believe that if we want to sell our agricultural implements in the Argentine, we should be prepared to bring back to this country wheat to make the bread we eat when we are producing those implements and the beef we eat when we make those implements.

Mr. ROSS (Moose Jaw): That would not be right.

Mr. MacNICOL: Quite so. I quite believe that if the minister were minister of industry as well as Minister of Agriculture he would not make either statement, because he would realize you cannot destroy industry without destroying agriculture.

Mr. GARDINER: I would rather agree with your other argument that we take Welsh coal.

Mr. MacNICOL: The department would be a "wow" under a minister who would make both those statements. But I do not believe the present minister would; I give him credit for that.

Pursuing my inquiries into this subject of a ministry of industry I went to Berlin, Germany, and discussed the matter with their Department of Industry and inquired just how they proceeded in developing the marvellous production returns in industry in that country. They gave me the objectives of their department. I quite realize, Mr. Speaker, that I cannot go into this subject in detail now, but I shall do so later, if an opportunity presents itself. I was struck with this thing about the Department of Industry in Germany, that it confines itself primarily to creating employment in industry. They said that their business was: (1) to induce the setting up of new industries; (2) modernize old industries; (3) develop and manufacture low grade and high grade economic resources to render Germany independent of foreign supplies so far as possible; (4) maintain a strong middle class with numerous small and independent undertakings, including shopkeepers and craftsmen; (5) to subsidize exports. As I said a moment ago, they had subsidized, as far as I could hear, the exportation of coal. In any event the department last year spent 200,000,000 reichsmark, in subsidizing the exportation of their products. Then (6) the objective of their ministry is to develop the greatest possible home market; and lastly (7) to supervise the cost of production. That is something I feel this country ought to do. Perhaps the Minister of Trade and Commerce (Mr. Euler) will tell me we have not any authority to supervise the cost of production. Perhaps we have not, but in my humble judgment the time has come for the government to take an interest in the cost of production in this country so that we shall be able not only to assure a fair price to consumers but to encourage a greater exportation of our manufactures.

If I might digress for a moment, I was impressed with the figures I got in Germany of the production of wheat. The figures were a revelation to me because I had never gone into the question of wheat extensively and I was amazed to learn the quantity of wheat they produced in a small country of 208,000 square miles. I shall give the house comparative figures of production and acreage for Canada and Germany for three years, 1936, 1932, 1913:

Canada					
1936		1932		1913	
Acreage	Quarters of 480 lbs.	Acreage	Quarters of 480 lbs.	Acreage	Quarters of 480 lbs.
25,290,000	28,650,000	27,180,000	55,380,000	11,010,000	28,950,000
Germany					
Acreage	Quarters of 480 lbs.	Acreage	Quarters of 480 lbs.	Acreage	Quarters of 480 lbs.
5,150,000	21,230,000	5,630,000	23,000,000	4,860,000	21,390,000

I might add that the figures for oats, barley and rye show just as prolific a production.

Then I proceeded to Ireland to inquire into their Ministry of Industry. We all realize that the Irish Free State has few natural resources, that the country is small and their resources are limited. They have also had unpleasant trouble with Great Britain over trade, which has resulted in a reduction of their exports. In spite of that, their Ministry of Industry has, in my judgment, done remarkable work. I looked into it very, very carefully, and while I have not time now to go into the many ramifications of their work, I shall just say that what they have done in propagating industry might well be emulated in any country. I do not know what minister in the Canadian government has to do particularly with propagating industry.

Mr. DUNNING: Propagating it?

Mr. MacNICOL: Yes, encouraging the development of industries.

Mr. DUNNING: I do not think we have any minister who propagates industry exactly.

Mr. MacNICOL: Well, encourage it, then. They call it propagating it over there, but perhaps they are not familiar with English. What they told me was that they are determined to propagate industry by encouraging the opening of factories to manufacture new lines of goods, and Ireland has done very well at that. As a matter of fact, though a small country, its manufactured productions have increased from $275,000,000 in 1931 to over $400,000,000 in 1937, and I say that is not so bad in these times and under the circumstances in which they have to operate.

Of course Great Britain surpasses any other country in the increase of manufacturing. I suppose the Minister of Finance (Mr. Dunning) did as I did and visited many of the new industrial areas—at Wembley, at Wimbledon, at Slough—where there are five hundred new factories—at Port Talbot, at Manchester, and elsewhere. I was amazed at what they are doing. It is not much to be wondered at that they are reducing unemployment in the old land, for they are firmly convinced that the way to do it is to give men jobs in factories, turning wheels and manufacturing material, and they have done that to a tremendous extent. I talked to several heads of great firms employing as many as thirty to fifty thousand men. I read in the press that the government was trying to persuade manufacturers not to build too close to London, but rather to go away from the metropolis as far as they reasonably could. I talked to some of these men who told me they were going to build new branches, and suggested that they might consider establishing them in Canada. I am not sure what the government would need to do to permit a branch manufacturing in Canada to ship into the United Kingdom as though the branch itself were in that country, but I have no doubt the difficulty could be overcome. There is a growing feeling in England to-day that the time has come when many of their plants, certainly those which are in any wise associated with provision for defence and the safety of the realm, be moved up country or over here to Canada. We are no farther away from London to-day than Manchester, Birmingham, Leeds and Sheffield were a hundred years ago. I may be exaggerating. I see the Minister of Finance smiling.

Mr. DUNNING: Not as much as usual.

Mr. MacNICOL: Many points in Canada are comparatively close to the old country; and inasmuch as over there they are giving serious consideration to moving their plants as far away as possible from industrial England, perhaps the time is coming when they might transfer them to Canada, which is closest of all the empire countries to Great Britain. The minister in charge of industry might be considered foolish if he tried to do anything along that line, but the project is worthy of consideration.

I visited one great steel plant which interested me very much. I will close with a reference to it because it brings me to unemployment insurance, which has been mentioned by the Minister of Labour (Mr. Rogers). The plant had three branches, in which there are said to be some thirty-six thousand men employed. They have not had a strike in thirty-six years. I talked to some of the workmen, and was pleased beyond measure to learn how kindly they talked about the plant in which they were working. I went to the management and discussed with them the basis of their relations with their men which had given such splendid results that they had not had a strike in thirty-six years. One of the main officials said to me, "You go into the plant this afternoon and ask the man who you think is the most unlikely to give you an intelligent answer, the question: What is the price of steel to-day?" That afternoon I did so. There were four men in front of a Bessemer furnace, and I asked No. 4, "What is the price of steel to-day?" I do not remember just what he said, so I shall quote an arbitrary figure: Such as "Sax pound saxteen shulling and fourpence." It was amazing to me that he knew the price of steel; probably he gave it correctly. The gentleman who was conducting me through the plant said, "That gives you the answer to why we have not had any strikes in this plant." Many years ago they established a basic rate of £*X* per ton as the selling price of steel. The price at that time may have been higher or lower than that selling price. They then entered into an agreement with their men which seemed to me like something which came down from heaven. I do not know whether it is applicable to Canada, but it was in my judgment a wonderful agreement and has had wonderful results. That agreement was that every time the price of steel plate advanced two and a half shillings beyond £*X* per ton the wages of the workers immediately advanced automatically, and were reflected in the next pay envelope, one and a quarter per cent. As there have been many advances during the last year, perhaps as a result of rearmament—I am not going into that—the workers are highly paid. On the other hand, if the price of steel goes down two and a half shillings per ton wages recede automatically one and a quarter per cent; and as the selling price of a commodity that is already made does not recede with the same rapidity as is sometimes supposed, wages do not fall as quickly as they advance.

Mr. DUNNING: There is a base below which the wage must not fall.

Mr. MacNICOL: Exactly. That base is set at £*X* per ton. Below that wages cannot fall irrespective of the price of steel on the market.

Then, of course, British industrial workers enjoy those two wonderful boons, national health insurance and national unemployment insurance. I agree with the minister that every member of the house without exception is in sympathy with the proposal to enact an unemployment insurance law. The question is how it may be framed so that it shall promptly give results. We know what was done in the United States. I made a trip to Washington to study what they are doing down there. They enacted an unemployment insurance act under the federal unit. By a judgment of the United States Supreme Court it was ruled that unemployment insurance was purely a matter for the states to control. The United States government, under the present president who perhaps has more powers than former presidents had, enacted an unemployment insurance law, but of course could not put it into operation. The statute provided that they should have the right to collect, from every employer of labour in the country who had eight or more employees on his payroll, three per cent of the wage schedules. Then they say to the state, "If you will enact an unemployment insurance measure in conformity with the one adopted by this government we will return to you the three per cent we have collected in your state," and to any state that refuses to enact such an unemployment insurance law they say, "We will use that three per cent we have collected in your state for unemployment relief within the state." Whether that can be done in Canada I do not know; but I am convinced that the sooner governments in Canada enact social legislation along some

line with respect to national health and unemployment insurance the better it will be for the workers and industry within the country and the less trouble we shall have in the way of strikes.

Mr. CHARLES PARENT (Quebec West and South) (Translation): Mr. Speaker, I do not wish needlessly to delay the vote on the address by a long speech, but I do not think it would be imposing on the kindness of the house to offer one or two observations, first, on the subject of civil liberty in Quebec, and next, on the advisability of beautifying Quebec city and preserving its historic character by extending the authority of the national battlefields commission over certain federal properties. Before broaching these subjects, however, may I tender my most sincere congratulations to the honourable members who proposed and seconded the motion. This oratorical classic always bears a stamp of its own. Whether it is to seek relaxation from patronage troubles, I cannot say, but it is undeniable that practically all members of the house follow attentively when these speeches are delivered. In addition, the galleries are filled with members of the fair sex, belonging to fashionable Canadian society for whom the social events of the Capital have much interest at this season. The task of the mover and seconder of the address is therefore a heavy one, Mr. Speaker, and the entire house rejoices at the success obtained.

Mr. Speaker, I have listened to some honourable members who have upbraided the government because, in the speech from the throne, no reference was made to the civil rights of our people. I may point out to the house that nowhere in the world do civilized people enjoy more freedom and tolerance than they do in the province of Quebec. In Quebec city, where I live, there are several thousand English-speaking protestants. We are all living in perfect harmony. Moreover, we see, within a distance of a few hundred feet, the catholic and the protestant cathedrals, and every Sunday we witness the edifying spectacle of catholic French-Canadians and protestant English speaking people wending their way together towards their respective place of worship, mutually respectful of their religious belief, with never a clash or a display of unfriendliness. We speak of them as they speak of us, with the utmost regard. We respect their pastors, just as they respect our priests.

Since the days of Jogues, Brébeuf and Lallemand, three centuries of history have recorded the devotion, the sacrifices and the wonderful deeds accomplished in our country in the name of Faith. That constitutes the very basis of our existence. No wonder that those who preach among us the non-existence of God should be branded as barbarians.

I take this opportunity to bring to the attention of the government the great national eucharistic congress which will take place in Quebec next summer. I do hope the government will vote an appropriation towards the expenses of the congress and that a federal delegate will attend it.

In order to make my speech shorter, Mr. Speaker, I shall take up at once my second point, which is the advisability of providing for the improvement of the city of Quebec and for the preservation of its historic character, by extending to certain federal property the powers of the national battlefields commission. As you are aware, Mr. Speaker, not only is Quebec the oldest city in America, but it is also a city of priceless historical treasures. Thanks to the good breeding of its inhabitants, to its narrow streets, to its beautiful climate, to its monuments and its historic associations, Quebec is an interesting place whose quaintness attracts nearly a million tourists every year. It is also the summer residence of His Excellency the Governor General, and for that reason I believe the dominion government should take an especial interest in the improvement of the city. From the rock of Quebec, from that spot which is called Dufferin Terrace, tourists may admire one of the world's most beautiful panoramas. On either shore of the St. Lawrence are to be seen pretty villages whose white cottages stand out against the green mountains, while directly ahead is the island of Orleans which, rising amid the platinum billows of the great river, appears like a gigantic emerald. Mr. Speaker, every time you come to Quebec, I am sure you like to gaze, from that spot, upon some of the most beautiful parishes in your constituency. Perhaps it has occurred to you, as it has to me, that such a wonderful terrace might well be extended toward the west, as far as the National Battlefields park. Besides affording employment, this would provide the most picturesque site in the world.

In 1908, Sir Wilfrid Laurier, realizing the special and national character of Quebec city, appointed the National Battlefields Commission. The purpose of the act whereby that

commission was created was to preserve the great battlefields which witnessed the epic struggle between Wolfe and Montcalm, and to restore, in so far as possible, their original features.

In 1911, the dominion government and the transcontinental railway commission acquired several properties and rights of way along the river; to-day these properties and rights of way are quite useless, owing to a change in the location of that railway.

Would it not be advisable, Mr. Speaker, to have these sites under the authority of the battlefields commission or even to have them transferred to it? Would it not be well to extend the commission's jurisdiction so as to include the Quebec walls which are being reconstructed, and, in keeping with our present needs, to lay out public walks as well as to rebuild the old gates which, for the sake of progress, have been destroyed?

In 1928, the dominion government voted an amount of $750,000 to be spread over a period of ten years, and the last payment is due this year. I hope that Laurier's plan may be followed up for many more years and that further appropriations may be voted for the improvement and conservation of that historic site in the oldest city of America. May I express the wish that the extension of the terrace, the general improvement of the city of Quebec and the preservation of its historic sites will have the support of those who, up to this day, have shown their judgment.

Mr. Speaker, I am confident that, with the strong support of my colleagues from Quebec city, the right hon. Minister of Justice (Mr. Lapointe) and the hon. Minister of Pensions and National Health (Mr. Power), my humble suggestion will be welcome. It is not only in the interest of Quebec city that I am making it, but also in the interest of the many visitors who come there from across the line. These visitors from abroad are very much impressed when they see Quebec for the first time, for it recalls many memories of the last three centuries, and it has been said of Quebec, that each stone reminds you of the past.

Mr. Speaker, it may be suggested that I make an appeal in behalf of my city and my constituency. In reply, I could quote these words of a writer: "One is always entitled to speak of his town when he loves it to the very depths of his heart."

Since I have yet a few minutes to spare, may I be allowed to draw the attention of the government to the fact that those conditions ought to be improved because Quebec is the oldest city in America and our modern needs were not contemplated in the original plans. Quebec city, owing to its narrow streets and its lack of opportunity for future development, is in a peculiar position regarding the assistance to be given by the dominion government under the housing act. Particularly in my own constituency, where there are many workingmen, several requests did not get from the commission the consideration which they deserved. I hope that the government will see its way clear to have the act amended in order to help the workingman, for, up to now, it has benefited in our part of the country only those who could have built their homes without such assistance. I understand that this legislation is calculated to help those who have not had a very easy life, namely the labourers, our workingmen, who, through their savings, are anxious to provide for a living in their old days. I hope that a representative of the government, after examining the conditions such as they obtain in Quebec, will see fit to put aside a certain tract of land to allow the government to assist in the building of homes where the workingmen, along with those that are in better circumstances, may secure a comfortable life for their children.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. L. A. MUTCH (Winnipeg South) (Translation): Mr. Speaker, allow me to congratulate the hon. members who moved and seconded the address in reply to the speech from the throne and especially the hon. gentleman who spoke in French.

Mr. Speaker, it is not my intention to parade my few poor words of French in this chamber; I wish merely to express in that way something of the appreciation which I feel for the assistance and cooperation I have had in this house and in my political experience from those people who speak French as their native tongue.

(Text) Before entering upon the subject matter of my remarks I desire to extend in my own language congratulations to the mover and seconder upon their speeches, and to the electors of their constituencies congratulations upon the election of these hon. gentlemen. Their oratory is stilled for the time being, but there remains to us the consideration of the program of the government as set forth in the speech from the throne. For myself, sir, I approach this session in a state of

mind which I think might be illustrated by a quotation from T. B. Macaulay. Some hon. members will remember that in his essay on John Dryden, Macaulay wrote:

> His imagination resembled the wings of an ostrich. It enabled him to run, though not to soar.

Sir, the government which it is my privilege to support is in motion; it may be said in many respects to have accelerated its pace to a run but I doubt if it can be said to soar. The return to power of the Liberal party in 1935 was a mandate to give Canada a Liberal government. That was the promise implied in the platform of that party, and that promise was greater and of more importance, to my mind, than the promises of all the leaders of the various parties who met us with opposition at that time. It is not for me to say that the government has failed to give leadership along the Liberal way. We have not failed to make progress, but I think it is my prerogative as a member of the party and a supporter of the government to say to my colleagues in the party at this, the first opportunity I have had in this session, that neither I nor my constituents —many of them, at least—feel that so far we have any great reason to feel smug about the rate of our progress.

We do not differ from other groups in the house with respect to our desire to serve Canada. We do differ as to how that service may be efficiently carried out; or do we? Sometimes one is reminded of the expression, "By their fruits ye shall know them." The most damning indictment of the Liberal party is and perhaps always will be that we Liberals are of the same political stripe as our Conservative opponents. Unfortunately, in my opinion during the past three years we have given a measure of hope and courage to our traducers. We hear from our Cooperative Commonwealth Federation friends not only "Hear, hear" but "We told you so." Out on the prairies the pool official says "Me, too," and from the shadow of the Rockies, almost out of the ether itself, we hear a voice crying, "Behold, the lion and the lamb lie down together." Nobody is fooled, unless we fool ourselves. Sometimes I think we do, we who put through the scandalous furniture tariff changes in the dying moments of the last session; we who in 1930 looked upon the Ottawa agreements with scorn, ostracized the parents and then in 1937 adopted the baby; we who permit the gasoline trust to mulct every user of gasoline on every gallon he uses; we who permit automobile manufacturers to take advantage of all the engineering developments charged against the American consuming public on their cars and then charge that again here in Canada and, finally, we who permit a Tory tariff board to give advice to our government. That in an individual would be something bordering on treason, and in a political party it is at least foolish.

If that were the whole story there would be much to be desired, but I rejoice that in this ledger there is much to counterbalance and offset it. I do not feel called upon at the moment to deal with the other side; I do not think there is any necessity to stress the achievements of the administration. At the beginning of a session I think perhaps it is a good thing for us to think more particularly about the things that have not been done.

It is perhaps unthinkable, Mr. Speaker, to many minds steeped in the political game, that one should speak out so frankly in this house, but I make no apology for having thought it wise to point out that there is an urge in my mind, as I know there is an urge in the minds of my constituents, to say to the government, "Faster, faster." I have a loyalty to the government of the day; that loyalty I give freely, but I also have a loyalty to the hopes and ambitions of the people who are the supporters of this government. I believe in the destiny of Canada; I believe that destiny can be best achieved in the Liberal way, but I want to see it come as quickly as possible along that way.

It is trite to say that these are critical times. It is stressing the obvious to say that the nations are failing to face up to the problems of the day. At this time it is perhaps sufficient to dwell for a little while on the problems peculiarly our own. Perhaps it is a good idea to ask ourselves: What are these great Canadian problems? I suggest, sir, that the first among them is the preservation of Canada herself as a united nation. We in Canada in past years have been much exercised about our national status, our place within the empire. Sometimes I think we have forgotten, too often and for too long a time, to assure ourselves of our own unity. I say quite frankly that if confederation was not an established fact, to-day in Canada it would be impossible. But, sir, seventy years have passed since confederation became an accomplished fact in this country. That union or confederation has been sanctified, if you like, by the blood of thousands of men who died for Canada; not for Quebec or Manitoba or the maritime provinces or British Columbia but for Canada, and the union which has

stood the stresses and strains of those seventy years must not be permitted to break down under any circumstances.

First of all, we, as members of the House of Commons, are to love and serve Canada, we must know our country. Sometimes when I have come to the city of Ottawa, after I have been here a little while I have felt as I sometimes feel in a little valley high up in the western mountains. After I have been there a while I have an almost overwhelming desire to climb—and I do not like to climb—to look over the top and see what is going on just beyond that rim which seems so near. Perhaps that feeling of repression in the mountains is the result of having been born on the prairies, but as I come to this parliament hill I sometimes think we are in something of a valley, and we do not see over the edge quite far enough or quite often enough. Perhaps if one did not say the things that come to mind in the first few days of the session, under the influence of that isolation one might refrain altogether from saying them. At any rate if in times past I have been unduly critical of the travelling expenses of any ministers of past governments, I feel like taking it all back and suggesting to those who form the government now, and those yet to come, that they should travel more.

The sectionalism that is so rife—and it is rife—in my opinion is largely the result of ignorance. Ignorance is a greater menace than selfishness, because selfishness is the result of a lack of understanding of our own best interests. Second, there must be leadership, and in Canada we look to this house for that leadership. A member of this house who puts constituency considerations before national considerations should to my mind retire to the county council, where his talents will find their proper scope. A member of this house who allows the real or fancied needs of his province to dominate his national sentiments should seek a field of endeavour where his bias would be less harmful and more appreciated. At this point I should like to say even more emphatically that the member of any provincial legislature who uses his power in an attempt to enhance his own prestige at the expense of national unity is no patriot, be he malicious, or ignorant, or vain, or all three.

Party government is no bar to national unity. On the contrary it is perhaps its strongest binding tie. This can be true only so long as party lines divide this country horizontally. Vertical lines of division are lines of sectionalism and of selfishness and that way lies disaster. He is no patriot who pits east against west, the centre against the far-flung frontiers. That way lies chaos, dissension and defeat.

If Canadian politicians had spent one-tenth of the time and effort in educating the various parts of Canada as to their dependence upon each other that they have spent in provoking sectional antagonisms for selfish political ends, I venture to say that this great Canadian problem would hardly be a problem to-day. But we ask ourselves, "Is it a paramount question?" When we admit that it is, then we ask ourselves, "Why?" It is a problem because it affects the rights and privileges, the opportunities and rewards of every citizen. It is a problem because the very physical structure of the nation is threatened. It is a political question, an economic question and a social question. It touches every side of life of every citizen.

We come then to this question: Having recognized that there is a problem and having admitted that this house is the logical place where it should be dealt with, we then ask, "What are we to do?" I venture to say that no one can answer that question; there is no all-embracing answer. Most of us have come to realize that when we meet a man who knows all the answers, we have met a fool or a fanatic. We must then begin by laying down such fundamental principles as will guide us in arriving at a judgment on the various methods we shall explore. We must first realize the implications of national unity and we must then desire to achieve it. Then with knowledge and desire behind us, we must examine every question of national policy in the light of that knowledge and desire. I do not hesitate to say quite frankly that in my opinion policies in Canada have always been influenced more by constituencies than by principles. Perhaps this can be more readily illustrated by a study of Canadian tariff history than in any other way.

I have said that Canadian tariff policy has been influenced more by constituencies than by principles. I propose to show that the practice is accepted without comment by the very persons who suffer most from tariff instability. I quote from Canadian Business of December, 1937, which, speaking in advance of this session, says:

> It looks also as if the prairie tariff talkers will get a hearing on textiles, furniture and automobiles.

No suggestion that the government might be considering the needs and wants of the Canadian consuming public if, as the article suggests, it is planning a step along the Liberal way. "Oh, no," says Canadian Busi-

ness, "if it comes it will be a sop thrown to the prairie tariff talkers, those strange western representatives of the poor rural rustics who believe that the duty of governments is to legislate for the people and who, incredibly enough, say so in public." This is another quotation from the same publication:

> It is unlikely the apple preference of $1.50 per barrel will be disturbed for it is a life and death proposition for the Annapolis valley and even a reduction in it would probably compel the Minister of National Revenue, Hon. J. L. Ilsley, to find a new political address.

Hon. members will notice that the story stresses, not the principle of tariff adjustment, not the economic situation in the Annapolis valley, but—the climax for Canadian Business—the possible reelection of the minister. I cannot fail to take issue with Canadian Business on this point. Without exonerating this or any other Canadian government from political consideration when tariffs are tinkered with, I feel sure that the hon. minister in question would throw away his seat, and mine too, rather than abandon his convictions.

Finally, there is another feature of the importance of national unity which should never escape the notice of the house. All of us are constantly made aware of our duties as citizens and we should give some thought to our rights. We share a common heritage and we owe a common duty, not only to the state but to each other and to ourselves. As Canadians we have decided that certain standards and services shall be maintained. By no stretch of the imagination can we justify discrimination as between Canadians in the enjoyment of these standards and services. The origin of these services is not local, their importance is not local and the advantages accruing are not local—they are national. By every test and upon every consideration, the responsibility is upon this house. If we meet it, we shall go a long way toward the goal of an harmoniously united Canada.

At this point I cannot do less than express my satisfaction that the speech from the throne foreshadows one step in the right direction, that of unemployment insurance. Here too I might pay my tribute to the government of the day for the appointment of the royal commission. In my opinion and in the opinion of the majority of my constituents, this commission has undertaken an herculean task. I believe that the government has selected men who are equal to that task.

There is another great problem which touches on the happiness and well-being of our people. This is a twin problem, the problem of housing and the problem of slum clearance. As I have said, this is a national problem and out of it spring many of the social problems which we have to face. Although not mentioned in the speech from the throne, I trust it has not been forgotten. Of this I shall have more to say at another time.

Second only to the problem of setting our national state in order is the problem of determining what our position is to be with relation to the other nations of the world, and what steps we shall take to maintain that position. These are troublesome times in the world at large. I submit it is not too much to say that the conscience of man has been dulled. There has been a futile scurrying from one untenable position to another in connection with international affairs. This so-called diplomacy of another generation has been perpetuated in this newer age. We are stumbling along the old paths, unwilling but surely. For all of this, this government is hardly to blame. Our opportunity for world leadership is limited both geographically and numerically. We are too far from the seat of discord and too weak to be a threat to those who transgress human rights. Yet I could wish that we in Canada stood more foursquare to our problems. To my mind, we have done something, but not enough.

The challenge to leadership was never more clear, more decisive or more urgent. Beginning with the deliberations at Versailles and continuing until to-day the outmoded statesmen of the world have floundered. They have played safe when audacity would have won the day. They have feared when courage might have swept the field. They have compromised when there was nothing to gain. The criticism which I make of the governments of the world, including our own, is that none of them really faces up to the fact of a changed world. None seems to realize that despite the alarms of war this is the hour to strike for peace.

Peace is or ought to be the greatest achievement of mankind. Its importance transcends the importance of liberty, prosperity and power. Without peace these are nothing. We have heard that there can be no peace without honour. Perhaps we ought to reverse those words and say that there can be no honour without peace. Without peace honour is hollow and meaningless. We have been contemptuous of those who cry for peace at any price, failing to realize that without peace price has no substance.

The tragedy of humanity is that we learn so slowly. Our elders, usually dominant in the affairs of the world, proceed with the caution that comes with experience and disappointment. In a fast changing world they

miss all too often the tempo of the hour. Someone has said that to achieve greatly, one must dare greatly. The world has failed in that; we have kept our feet on the beaten paths which for centuries have led again and again to failure and despair. We need to explore the by-paths; we need to pioneer new trails.

We in Canada are a young nation and we ought to be vigorous, imaginative and courageous. We ought to face the world with something of the attitude of Pitt. You will remember, sir, that the great Walpole had chided Pitt for his youth and rashness. We ought as a nation to ponder on Pitt's reply. He said, "The atrocious crime of being a young man, which the hon. gentleman has with such spirit and decency charged upon me, I shall neither attempt to palliate nor deny; but content myself with wishing that I may be one of those whose follies may cease with their youth, and not of that number who are ignorant in spite of experience."

Asquith's policy of "wait and see" produced the crisis that made Lloyd George the man of the hour. But, sir, the old policy of muddling through is out of step with the times. Events move too quickly in this day and generation. Neither the Canadian people nor the Canadian government can afford to merit the description of those in Dante's hell, "The wretched souls of those who lived without or praise or blame."

We have had some inkling of public reaction to those who dare to be definite even when they dare to be wrong. The public of Canada is tolerant of the mistakes of those who would come to grips with our problems.

We in this house are, I believe, capable of expressing the mind of our people, and I hope that from this session of parliament there may go out a reasoned, imaginative, courageous expression of opinion on foreign relationships which will be a guide to our government, an answer to the question, "How long halt ye between two opinions?" and an inspiration to the world. But, sir, the great tragedy of the ages is that by the time young men are convinced they cannot right the wrongs of the world by their own wisdom, they have become so old that they regard it as hopeless. I wonder if any man who has not, face pressed to earth, felt his insides turn to water as the bombs came whistling down, is competent to evaluate the claims of humanity as against vested interests in the game of war.

It will be asked, What could, what can Canada do in the world scheme of things? Something she can do. Here in this new world she can, if she be willing to pay the price, raise the standard of national morality, and say with Luther, "Here I stand; God helping me, I can do no other."

The United States is half right, and therefore wholly a failure in international affairs. Right when she sees that leadership toward peace cannot be looked for from Europe; a failure because, so far, she has failed to rise to repeated opportunities of leadership. Like the Pharisee she has gathered her cloak about her and passed by on the other side. Our guilt is only less because our opportunities, and therefore our responsibilities, are less.

What can Canada do? If we cannot give leadership to the world we can at least set an example, and who knows but what that example might be strong enough to divert the rolling river of doom that threatens to engulf the world.

I have no language to express my scorn for the hypocrisy of those who are unwilling to fight for peace. I think of those thousands, yes millions, who did not scorn to die for peace. I think again of the poet's words, "We have kept the faith." We said, "We shall go down with unreluctant tread, rose crowned into the darkness." Is that real to you? I saw it! I stood by while an endless procession passed me one by one, outward borne. What did they die for? They were not professional soldiers doing a job. They had no dream of conquest, nothing to gain, everything to lose; no hatred for their foes, no traditional national enemies held in contempt from childhood; no dream of empire; no old scores to settle, and yet horribly, damnably, they died to a man, doing a job they hated, to free the world from this monster for all time. They died for an ideal, the ideal that may deliver this world for all time from the monster which even then was devouring them. They fought for peace, they paid for peace, and counted death nothing if the end was peace.

Well, they fought their fight, and for a little while we hoped and planned and, more briefly still, we believed. Gradually we began to realize that the fight for peace had not been won. There was wavering in the ranks. The world statesmen began to count the cost of peace, and the price was too high. National pride became an obsession, at the expense of national honour, national decency. Avarice outweighs principle; madmen speak and millions tremble in fear. It is not a pretty picture; it is not a hopeful prospect, but, sir, it is not yet hopeless. Perhaps it is now the eleventh hour; but there is, one ventures to think, even yet, one hour for repentance. It is not too late to say that,

come weal or woe to our physical being, we have counted the cost and we will pay the price of peace, and I venture to say that the price of peace will be no dearer than the price of folly.

In this dark hour how shall we, being both British and Canadian, answer the challenge, "Stands England—stands Canada—where she did?" We know the bitter answer. Let us in all humility start afresh to be once more a nation, new, vigorous, neither ignorant of our destiny nor unwilling to pay the price of its realization. Let us brush aside the cold, dead hand of the past that reaches forth again to lead us by the old pathways to the ever-yawning abyss. Let us be definite, clear-cut and courageous, wrong sometimes, if that is the price we must pay for forthrightness, but moving forward always, building on our errors to be more often right. Above all, let us rise above the ultimate in hypocrisy—agreement in principle and denial in practice.

This brings me to the question of how we are to maintain our national integrity. Sir, it seems to me—and I have said so before in the house—that ten millions of people cannot long hope to hold half a continent in an overcrowded world. It is our good fortune that Canada abounds with those things which the world wants and must, in many instances, have. It is a noble heritage but it involves a great responsibility.

We must examine three possibilities. First, we may simply drift until, as the inevitable result of such a policy, we are invaded and overrun. We may then find our destiny among our conquerors.

Or we may proceed with vigour and intelligence to populate our country and develop it and, by trade, supply our world neighbours with their needs, at the same time enriching our own lives. Having brought in and assimilated another ten or twenty millions of people we may then have some assurance that we can indeed protect our shores, our homes, our heritage.

We must, then, it would seem, either populate our country or fight for it, or give it to someone else strong enough to fight our battles, as the price of our defence.

There is a third alternative to drift or immigration. That, sir, is the policy we are following to-day. Perhaps it would be more accurate to say that the policy of to-day is partly drift and partly the third policy, which I shall call the policy of limited "preparedness." We have progressed to a point where we admit that since we have doors, we might as well have locks; since we have guns, we might as well have ammunition; since we have both, we might as well train a few men to use them. And, of course, since we have so many generals we have to have some soldiers to keep the generals out of politics or other mischief.

We are united on this, that we will defend ourselves, if need be; but we are quite far from a unanimous realization that the need may come. We are reasonably united in opposition to wars of aggression, but far from united on the question of where our defensive frontier lies. We consent to a limited permanent force for defensive purposes but are quite unwilling, so far, to make the conditions of service such that they will attract to the service men who would by their enthusiasm and ability give us more of military efficiency and of protection for the taxpayer's dollar than we have been getting. I mean to cast no slur upon those who serve us now. Their character, and in most cases their ability, do them credit. Many of the conditions under which they serve do us no credit. We have not received the most or the best for our money. On this point it is noteworthy that in England a similar situation has been recognized and is being remedied. On that subject, when the estimates come up I may have something further to say.

Fnally I turn to the question which is in many ways the most serious and certainly the most pressing problem of them all in that part of the country from which I come. Nobody could be more gratified than I am with the statement of the Minister of Labour (Mr. Rogers) this afternoon. And yet, after over seven years, seven long lean years, we are still trying to delude ourselves into believing that unemployment is municipal and provincial, whereas since 1930 it has been definitely a national problem—national in the most real sense of the word. The unemployed who walk the streets of Winnipeg and Edmonton are just as much the problem of Hamilton and Moncton as they are of Winnipeg and Edmonton. But we have failed to realize this or to act on the realization.

The policy laid down in 1930 to 1935, and followed since 1935 by this government, has been wrong in principle and disastrous in its effect. Municipal and provincial governments have been beggared and bankrupted to no avail. What have we done? First of all we have bankrupted both municipalities and provinces in at least four of the nine provinces and impaired the credit of the others. We have forced on to the relief rolls not only the unemployed but all of the unemployable who at the beginning of this time might have been reasonably considered a charge upon the municipal and provincial governments. Then we have loaned the money, in many instances

all of it, to maintain this monstrous burden. Recently this government has realized the unwisdom of confusing unemployed and unemployable. Alas, the realization comes too late. We now propose to shift to the local authorities a responsibility which was, perhaps, always rightly theirs but which they escaped in the general confusion of unemployed and unemployable. The catch is that we are too late. The policies followed thus far have already beggared and bankrupted the lesser governmental bodies; they cannot carry any more.

There is the situation as far as that part of the country from which I come is concerned. We need not lay the problem at the door of the Minister of Labour or any other member of the government. We have been reminding them in the morning and in the evening and at the rising and the setting of the sun, for some time. There is a place, and this is the place, where I have the opportunity to say this, and I say it. I believe it, and I shall continue to urge it until some one else replaces me or something is done about it. I am persuaded that the long range policies of this government are sound, that they present the only workable solution of the main problem of employment. I do think that they proceed with hesitating steps in the carrying out of some of these policies, chiefly in the lowering of living costs and increasing of trade by lowering the vicious tariff rates still in effect.

So, sir, I must say with regret that when we come to the short range policies for the immediate relief of a problem which is human and national rather than economic, I feel we have not lived up to the measure of our opportunity. At the same time, loyal to this mistaken concept of local responsibility, we have in reality loaned and lost money which, used otherwise, might have saved those local governments from their present plight.

If I have spoken frankly, that is my nature. If I have offended any, this is my defence—I find it in Pope's Essay on Criticism:

> Fear not the anger of the wise to raise,
> Those best can bear reproof who merit praise.

Mr. T. C. DOUGLAS (Weyburn): Having read very carefully the speech from the throne, foreshadowing, as it is supposed to do, the government's legislative program for the coming year, I feel in duty bound to the people who sent me here to vote for the amendment moved by the leader of the opposition (Mr. Bennett). I am therefore supporting and speaking to the amendment, which reads as follows:

> We desire respectfully to express regret that the speech from the throne does not indicate that the government has taken or contemplates taking efficient measures to deal with unfavourable economic conditions in Canada, and that no legislative action is proposed to deal effectively with the prevailing uncertainty and insecurity resulting from the inadequate incomes of large numbers of our people.

Every hon. member will naturally think in terms of the people he represents; and I am supporting this amendment because I can find nothing in the speech from the throne to indicate that the government is taking, or contemplates taking, any constructive measures to ameliorate the sufferings of the people whom I represent. Nor am I thinking only of my constituents, because the problems that are confronting them are also confronted by nearly a million people living in the drought area and, in more or less degree, all the people living on the prairie. From time to time hon. members in this corner of the house have endeavoured to depict the conditions of the people on the prairie. We have been told by hon. gentlemen opposite that we were cranks, that we were gloom-spreaders. At one time we were told that we did no service to western Canada by painting so black a picture. But I submit that we have been vindicated during the past few months, for the western provinces have submitted through their respective governments to the royal commission on dominion-provincial relations briefs which have painted pictures equally black or more so than any for which we in this corner of the house have been responsible.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) outlined the Manitoba situation very well the other day, and I have no doubt hon. members from Alberta will do the same for their province. It is therefore my intention to summarize very briefly the material contained in the report which was made by the Saskatchewan government to the royal commission. May I remind the house that what I am quoting from is not the ravings of some dyspeptic pessimist but a report made by a Liberal government which until a very short time ago was led by the Minister of Agriculture (Mr. Gardiner). Whether, due to his absence, they have become more intelligent or more progressive I know not. But they have made a report. While I do not agree in all its details with that report, I do think it is very commendable and gives a fairly accurate picture of conditions as they are in Saskatchewan.

It deals first of all with the question of debt. The latest figures, given by the government of Saskatchewan on January 28, show that the provincial debt is just a few dollars short of $192,000,000, with a contingent liability of over $32,000,000, making in all a debt of

over $220,000,000 to be borne by a population of about 900,000. The seriousness of this can be realized when we remember, as the Saskatchewan government pointed out to the commission, that fifty-two per cent of their ordinary revenues were devoted at that date to the payment of interest charges; in other words, that fifty-two cents out of every dollar they collected went to pay interest and forty-eight cents out of every dollar went to pay for education, government administration, relief and other social services. They pointed out that the municipal debt was: For rural municipalities, $61,000,000; for villages, $2,000,000; for towns, $7,000,000; for cities, $57,000,000, or a total of $127,000,000, to be paid by municipal bodies whose incomes are steadily diminishing, while their responsibilities are yearly increasing. They pointed out further that the total farm debt for Saskatchewan, including first mortgages, hypothecs and agreements of sale make a grand total of $525,000,000. This does not include second mortgages and debts owing to doctors, storekeepers and so on, nor has any estimate been made of the amount of money owing in the form of mortgages and agreements of sale registered against homes and businesses in towns, villages and cities.

An analysis of figures collected under the administration of the Farmers' Creditors Arrangement Act in Saskatchewan shows that the farm debt of Saskatchewan is 120 per cent of the total property assets of these farmers and 140 per cent of their total assets, property and personal. If these debts were owed only in the province it would mean that payment of them would be a matter of exchange within the province.

Mr. DUNNING: The hon. gentleman has made an important statement and I should like to have his authority for it. He mentioned the Farmers' Creditors Arrangement Act.

Mr. DOUGLAS (Weyburn): I am referring to figures that have been collected from time to time under the act.

Mr. DUNNING: Does any officer under the Farmers' Creditors Arrangement Act or the board of review take responsibility for the figures the hon. gentleman has given?

Mr. DOUGLAS (Weyburn): The figures were given from time to time in reply to questions asked last year.

Mr. DUNNING: There is no official statement in connection with it.

Mr. DOUGLAS (Weyburn): These are figures that were given in answer to questions put on the order paper last year.

Mr. GARDINER: Only with respect to those who came before officials.

Mr. DOUGLAS (Weyburn): Exactly. The government of Saskatchewan showed that of the farm debt of the province 83·5 per cent is outside the province and only 16·5 per cent is owing inside. I submit that a condition like this permits of only one conclusion, that is that a great area of the dominion is insolvent, the income of the people being less than their expenditure; 52 per cent of their income goes to pay interest, and their liabilities far exceed their assets.

The effect of this on the population of Saskatchewan has been pointed out in this brief. They point out first of all the effect on the people who are on relief. The total number of people receiving government aid in some form or another is nearly 500,000, more than half the total population. No picture that we have ever painted of the conditions under which these people live is nearly so black as that painted in this brief in quotations taken from articles written by Mr. D. B. MacRae, editor of the Regina Leader Post and Mr. R. M. Scott. I shall read one or two quotations from pages 291 and 292:

> There is virtually nothing in the rolling hills and valleys at Buffalo Gap and Big Beaver, which are near the U.S. border due south of Bengough. Gardens were a failure. Potatoes will have to be brought in. . . . One man told of children whom he knew who had not tasted any other vegetables than potatoes for over two years. Meat, bread and potatoes form the diet of the majority it was stated, but this year it is feared that the meat will often be lacking and the potatoes as well. Such is the progressive effect of six years of drought. . . .
>
> This means that replacement of things in the home has been at a low point, or practically not at all. This is the most aggravating feature of the drought. One farmer described the situation as "patching up old clothes with clothes already patched, only to find that the garment had given way somewhere else." Examples are everywhere but repetition of them would not ease the circumstances. Clothing and bed clothes are badly needed. . . .
>
> Clothing has been reduced to a minimum and bed clothes are reported as a great necessity, being but a remnant of what they once were and worn thin with age. Bare necessities have been the rule during the past few years. Farm homes such as these have never been run on a lavish scale. The people live simply and modestly, so reduction from their scale of living means more to the farmer and his wife and family than would at first appear. . . .
>
> In some farm houses near the United States border . . . information was given of cases where one girl wore "the dress" to school one day while the sister stayed at home. Next day they alternated, one staying at home and one going to school. Even the tea kettle is worn out and has been replaced by a lard pail. Broken panes of glass have been replaced by cardboard.

That is not the statement of someone trying to overdraw the picture; it comes from the editor of the Regina Leader Post, a supporter of the Liberal party. The housing conditions of these people are such that one could not take time to describe them, but I will give a quotation from a report of the bureau of statistics:

> The large six room dwelling is predominant in the maritimes and Ontario where there is least evidence of crowding and conversely on the prairies where four room dwellings predominate, there is definite evidence of inadequate living space, particularly in rural areas. . . . Over 60 per cent of prairie rural homes contain four rooms or less, while the number of such homes in Ontario is less than 23 per cent. In Alberta and Saskatchewan there are more rural households occupying two rooms than in any other room group.

The Saskatchewan government submitted figures to show that in regard to household comforts in rural homes Saskatchewan ranks among the lowest in the matter of farm conveniences and has the unenviable distinction of having fewer homes with sanitary conveniences and running water than any other province in the dominion. The effect, as the result of these long years of unvaried diet and living on starches, has been to reduce the powers of resistance of great masses of these people. When we realize that the maximum relief for a family of five is $20.20 per month, with 15 per cent deduction if they have meat, 10 per cent deduction if they have dairy products, 10 per cent deduction if they have vegetables, we can readily understand that the problem of health, the problem resulting from undernourishment and malnutrition is a very grave one indeed.

This brief points out that not only have the people on relief been affected, but the rest of the people have had their incomes seriously curtailed. Storekeepers, doctors, workers in towns and villages, ministers of the gospel—all these people are still endeavouring to carry on the services of the community, in many cases with resources exhausted, and they can carry on only under great privation and hardship. And no group have suffered more than the school-teachers, particularly the rural teachers. The brief points out that in 1936 the total salaries paid the school-teachers of Saskatchewan amounted to about half what was paid in 1926, and the total of salaries owing to the teachers was about $1,000,000. It proceeds to set out some of the causes, three main causes being mentioned. I cannot deal with them extensively, but it is interesting to note that drought is not given as one of the main causes.

[Mr. Douglas.]

I have listened to hon. gentlemen opposite telling us from time to time that one good rain or one or two good crops would put Saskatchewan and the prairies back on their feet. That was not the opinion of those who presented this brief. They recognized that drought is a factor which has aggravated the situation, but the causes lie deep down in our economic and social system. On page 1 they say:

> It will be most unfortunate for Canada as a whole if fundamental weaknesses in the economy of the western provinces, and in particular of Saskatchewan, are ignored in the belief that prosperity will be assured with a return of normal crop conditions.

And the same view is stated on pages 18 and 46. They cite three main causes; the first is the uneven burden of the protective tariff, and as usual they quote the figures compiled by the present Minister of Labour (Mr. Rogers) before he became a member of the government. I am not going into that except to say that the government of Saskatchewan pointed out to the Rowell commission that those figures show—and they must have agreed with them—that the benefit Saskatchewan derived from the tariff was $3,000,000 a year, the amount it cost Saskatchewan was $29,000,000 a year, and therefore the loss to the people of Saskatchewan was $26,000,000 a year. Therefore on a per capita basis each man, woman or child gained in benefit $3.55 and paid out $31.71, in other words, the tariff cost each man, woman or child in Saskatchewan $28.16 in terms of too high prices that they paid for the goods they bought, over what they would have paid had they been buying in the markets of the world. They pointed out that western Canada was discriminated against, that they received in benefit only $30,000,000 and that it cost them $86,000,000, being a net loss of $56,000,000 per year to the three prairie provinces. Now I am not going to say whether or not those figures are correct, I shall leave their defence to the Minister of Labour, who is an authority on gathering statistics. But I ask, Why should a Liberal government in western Canada present these facts to the Rowell commission? If there were a Tory government in Ottawa I could well understand them talking about the unequal burden of the tariff, but we have a government here which has for its slogan "Wider and freer markets," a government which has in its ranks the hon. member for Huron North (Mr. Deachman), whose syndicated articles on freer trade are blazoned from one end of Canada to the other. I listened with interest to the hon. member for Moose Jaw (Mr. Ross) saying that the

farmers give every fifth hog, every fifth head of cattle, every fifth bushel of wheat to protection. But why tell us that? All he has to do to have this situation rectified is to convert hon. gentlemen beside him. They have the power; theirs must be the responsibility if there is an unequal tariff burden.

The same thing is true in regard to the second cause they gave. They say that the monetary policy of the government was such that it had worked a hardship on western Canada. I refer the Minister of Finance (Mr. Dunning) particularly to pages 233 and 237. I shall read only one quotation:

> While western members in the house continued to urge a change of monetary viewpoint in order to ease the burden of western agriculture, the government of the day never wavered in its allegiance to the doctrine of "sound money."

Has the doctrine of sound money been changed? In what way? Why tell the Rowell commission about it? This government has been in office two and a half years; its leader was going to "issue currency and credit in terms of public need." It has among its supporters and champions the hon. member for Vancouver-Burrard (Mr. McGeer), the Minister of National Defence (Mr. Mackenzie), and the hon. member for Rosthern (Mr. Tucker). I remember with what eloquence these gentlemen entered the house to do battle against the money power.

Mr. McLEAN (Melfort): May I ask the hon. member a question?

Mr. DOUGLAS (Weyburn): The hon. member may ask all the questions he likes when I have finished.

Mr. McLEAN (Melfort): Is it the present government that is meant by "the government of the day"?

Mr. DOUGLAS (Weyburn): The hon. member may make his speech when I have finished.

Mr. McLEAN (Melfort): The hon. member has reached the stage where he will not answer questions.

Mr. DOUGLAS (Weyburn): These gentlemen remind me of Tennyson's well known lines:

> But oh for the touch of a vanished hand,
> And the sound of a voice that is still.

Their voices have become very still.

Mr. FINN: Yours has not.

Mr. DOUGLAS (Weyburn): I hope it never will as long as the government opposite is in power.

Mr. MacNICOL: That will be not more than two and a half years.

Mr. DOUGLAS (Weyburn): The third reason given was the railway problem and unfair freight rates. I shall take no time to say anything about that, except that the same remark applies; the government in power could have rectified these inequalities, and theirs is the responsibility for not doing so.

But I want to mention some of the causes not mentioned in the brief, that have aggravated the situation. The first I come to is the administration of relief, particularly in the drought area and in the province of Saskatchewan. The first thing wrong has been lack of direct responsibility. A man applies for relief, his application goes to the secretary of the municipal council. The council consider it, they may pass it, reject it or cut it down. Then the relief officer comes around. There is one relief officer for every two or three municipalities. He has power to veto any relief order the municipal council may pass. Furthermore he has power to pass one even if the municipal council may have rejected the application, and to pass that relief order on to the provincial government. In other words, the responsibility does not lie with the municipalities, as has been so often alleged. No wonder the rural municipalities of Saskatchewan in their brief to the Rowell commission said this rather sad thing:

> We at times feel that we are a rather important unit of our government system, and at other times that we are simply in existence for the purpose of performing tasks and assuming responsibilities that no self-respecting unit of government would undertake.

And that is true.

Mr. DUNNING: No, that is not true.

Mr. DOUGLAS (Weyburn): If the minister will let me finish my argument I will show it is true.

Mr. GARDINER: May I ask a question?

Mr. DOUGLAS (Weyburn): The minister knows I cannot go on for an hour and twenty minutes as he did. I have only forty minutes, unless the house will extend my time, in which case I will answer all the questions the minister likes to ask.

This is what happens when a man finds his relief order has been cut down; he goes to the secretary of the municipality, who tells him; You have to see the relief officer. The relief officer tells him; I am governed by the regulations of the provincial government. He goes to the province and is told: That is under the dominion government. He addresses himself to the federal minister and is told: We provide the money but we do not administer it, and they send him back to the province, which refers him back to the relief officer. So, like the music, he "goes round and round" and never gets anywhere.

In giving the relief officer a power which is practically dictatorial you give him power to discriminate against individuals. The other evening the Minister of Agriculture (Mr. Gardiner) put this question to us in this corner:

> I am certain that my friends of the Co-operative Commonwealth Federation, some of whom come from Saskatchewan, or of the Social Credit group, two of whom come from that province, will not admit that the councils in the municipalities which they represent are composed of men who are cogs in any political machine.

Mr. Speaker, I have covered eighteen thousand miles this summer by car, going into every corner of the drought area. I have handled hundreds of relief cases. After seeing this thing I say first that the municipal councils are not in the political machines, but that the relief inspectors are, and that there is being built up to-day in the drought area, on the misery of our people, a political machine that would make Tammany Hall look like a Sunday school.

Mr. MacNICOL: They will receive what Tammany Hall did.

Mr. DOUGLAS (Weyburn): Why? Simply because these relief inspectors are politically appointed. They have the power; if they like a man's political flavour his relief application goes through without difficulty. If they do not like his political flavour they can give him a great deal of trouble. I am not saying that happens in every case; I have met scores of these men and taken up individual cases with them, and when apparent discrimination has been drawn to their attention it has been rectified. But I will say to the government, and particularly to the Minister of Agriculture, that there is room in this set-up for discrimination and that there has been discrimination again and again.

Mr. GARDINER: That is not the set-up. The hon. member has not described the set-up.

Mr. DOUGLAS (Weyburn): I think I have described the set-up very well.

The second effect of our relief system, Mr. Speaker, of course has been to penalize initiative. There is a deduction, for instance, if a man raises a few pigs or milks some cows. If he gets a little work and earns some money, that is deducted from his relief. Even last summer if men went out in the boiling sun and put up stacks of Russian thistle, in many cases they had it deducted later on from their feed and fodder quota. In other words we have worked out a relief system which says: The more you do, the less you get; the less you do the more you get. I can remember that during the campaign of 1935 some hon. gentlemen opposite said to the electors, "If you have a Cooperative Commonwealth Federation government, everybody will be looked after, but what will you do with the lazy fellow?" I want to ask what you are doing with the lazy fellows under this relief system. Of course some of them have been made government inspectors, but what about the others? This is what they have done with the lazy fellows. They have said to them, "You stay out on the prairie and squat and do nothing, and you will get more relief than the man who is trying to do a little to help himself."

Mr. DONNELLY: Is that what you told them at home?

Mr. DOUGLAS (Weyburn): I have said here what I told them at home. I can tell the hon. member for Wood Mountain (Mr. Donnelly that I always tell the people here what I tell the people at home. That is not true of some hon. members.

The second thing that has aggravated the situation has been the distribution of feed and fodder. May I review, just briefly, what happened. First of all, in the early summer the Saskatchewan wheat pool, recognizing as everyone did that we were going to be short of feed and fodder, made an offer. They were willing to use their facilities to collect feed and fodder, bring it into the province, do the interim financing, bale and load it for seventy-five cents a ton and take a large share of this work off the hands of the government. Why this offer was never accepted no one has been able to explain.

Mr. GARDINER: It has all been explained on the floor of the legislature in Saskatchewan.

Mr. DOUGLAS (Weyburn): I hope it will be.

Mr. GARDINER: It has been.

Mr. DOUGLAS (Weyburn): I would not consider that an explanation; I would consider that an evasion. This is what happened. It was apparent last year in the middle of July that we were not going to have enough feed. Some of us, along with farmers' organizations and representatives of the municipalities, approached government officials. We said, "You are not going to have enough feed, and nobody can expect you to feed all the cattle in Saskatchewan. We ask you to take the scrubs to the canning factories, but the foundation stock must be taken care of, either by shipping it out, by organizing bands of farmers to go out and secure feed or by

shipping feed in." Nothing was done. Weeks went by. In the middle of August I journeyed all the way to the town of Carlyle to hear the Minister of Agriculture speak to his own constituents. It was the only way I could possibly find out what the government was going to do.

Mr. GARDINER: The hon. member must have hidden in the back corner; I did not see him.

Mr. DOUGLAS (Weyburn): Like the Minister of Agriculture I am not very conspicuous when I am on my feet. I hope you are taking note of these interruptions, Mr. Speaker, because I should like to finish this speech.

At that meeting the minister gave an outline something similar to that which he gave here as to the program his government was going to follow, with regard to the shipping of cattle, the selling process and so on. Then he made another statement, and if I do not quote him accurately he will correct me. He said they were not going to cut people down to a schedule; they were going to feed the stock up to a schedule, and if a man was able to feed more than the schedule, that was his good luck. On the other hand, if a man kept more than his schedule and could not feed them, they would die. I have personal knowledge that many of those farmers did not have enough feed to see them through that week, and the minister assured them that feed would be brought in.

I must say that most of the people who heard him were very well satisfied, but the feed did not come in. The situation became so acute that one of the best supporters of the minister in that constituency called a meeting in the same town four weeks later to make a violent protest about the lack of decisive action on the part of the minister. We could not understand what was happening, but the minister cleared that up the other night as reported at page 159 of Hansard, when he said:

> Instructions went out from my office, knowing western Canada as I do know it, that no hay was to be delivered until it was absolutely necessary to have it there. I was much more concerned about having hay there in the middle of February than I was in having hay there last October.

But I should like to tell the minister that in the middle of February some of the cattle were not alive to eat that hay; many of those cattle died before the feed ever got there. But what followed? This is the most iniquitous part of the whole thing. The minister said no compulsory measures would be taken to cut people down to a schedule, yet I know that farmers who went out and bought feed and brought it in and kept stock on their own feed were refused direct relief unless they cut down their cattle to the quota. In the southern part of my constituency, where they are not grain farmers but live stock men, they shipped herds of cattle numbering sixty and eighty head to Manitoba, under the government scheme. Then they came back and applied for direct relief, but they were told they could not get it because they had cattle in Manitoba. They went back and sold their cattle in Manitoba, then returned and applied for relief, only to be told that they could not get it because they had money obtained from selling those cattle.

Mr. GARDINER: Why should a man with sixty head of cattle obtain relief?

Mr. DOUGLAS (Weyburn): That represents his capital equipment. You would not ask a grain farmer to sell his equipment. The result was that thousands of farmers were faced with the choice of either liquidating their herds or seeing their wives and children starve. What has been the result? There has been a depletion of live stock. The other evening, as reported at page 158 of Hansard, the minister said:

> In other words, we still have 252,000 head more than we had in 1931, so if that number of cattle are still in Saskatchewan no one can say that the country has been depleted of cattle.

Do you see the catch in it, Mr. Speaker? These figures represent statistics as of June 1. The cattle were shipped out in September, October and November, to say nothing of the cattle that died in the meantime.

Mr. GARDINER: Read the rest of the speech and you will find that I covered that point.

Mr. DOUGLAS (Weyburn): The minister did not cover that. He went on to talk about the cattle shipped out, but he has no statistics at all with regard to the cattle that died. Any person who says there has been no depletion in Saskatchewan has only to go along the railway lines of that province to see what are the facts. In 1931 the farmers were shipping out butter and butter fat; to-day they are shipping it in. What has been the result? Simply this, that the live stock industry in southern Saskatchewan at least has been liquidated. That means hundreds of farmers are unable to supply their own tables. For many of them it means no cream cheques. In the town in which I live it means $1,500 a week less in cream cheques coming in, a total of $75,000 a year less purchasing power. But it means more than that. If we have a crop

next year, as we hope we shall, these farmers are going to want to build up their herds again. How are they going to do it? I saw cattle being sold for $12 and $15 a head. Can anybody imagine buying milch cows for anything like that amount next summer? No; the farmers will be asked to pay anywhere from $60 to $100, which they simply cannot pay. This will mean that they will have to breed up their herds, and in the end it will mean that the live stock industry has been ruined for at least ten or twelve years. That is one principal reason for the great dissatisfaction which exists there.

Now, Mr. Speaker, I should like to deal with one other matter, but I am afraid my time is not going to permit me to do so. Since the Minister of Labour is in his seat I should like to have dealt especially with the farm placement scheme.

At this time I should like to pay a tribute to the youth training program put on by the Minister of Labour. A very fine work has been done. I visited a number of these schools and I found they were excellently handled. I only hope that the appropriation will be increased next year and this work continued. While I am paying compliments, perhaps I should mention the Minister of Agriculture. I consider the distribution of fish, cheese and beans under Doctor Stapleford to have been the most efficient and equitable I have ever seen. I think the minister is to be commended for this work.

While the minister's department may be a "wow" at gathering statistics, there has been either a great deal of incompetency or sheer stupidity in the administration of the farm bonus plan. I think other hon. members will agree with me when I say that I have had more letters of complaint about this single thing than about anything else. There are two main difficulties in connection with this matter. The first is the definition of "homeless." A young man or young woman may have been working for a farmer for one, two or three months and then be informed by Mr. Molloy, who is administering this work and doing it very well under the handicap under which he is working, that his or her application has been rejected because it has been found that he or she has a home. The fact that a man has a home somewhere ought not to bar him from taking a job.

I know of many cases where the head of the home is unable to support a young man or woman. It may be that a home is presided over by a widow; that other children are doing all the work necessary on the farm, and that an older brother or sister coming home would simply mean an additional burden. I have before me a number of letters that I would gladly pass over to the minister. In addition to being thrown out of employment, these young people have been unable to collect anything for the two or three months they have worked.

Mr. ROGERS: I do not think that is the case at all. I am quite sure my hon. friend is misinformed.

Mr. DOUGLAS (Weyburn): I can show the minister letters from his own branch.

Mr. ROGERS: I would be very glad to receive them.

Mr. DOUGLAS (Weyburn): I will pass over to the minister letters which were received from Mr. Molloy in which he states that that is why these people have been refused employment. I have written to Mr. Molloy and that is the kind of answer I have received.

Mr. ROGERS: Everyone will be paid for the time he has worked on a farm.

Mr. DOUGLAS (Weyburn): I have one letter in which Mr. Molloy offered to pay relief to a farmer for the time a man worked, but he would not pay anything else.

Then there is the question of relationship. Applications have been refused because the applicant was a relative. This rule is being applied stringently, even in cases where the relationship is very remote. For instance, take the case of a widow with a small family running a farm. She needs someone to help her and there may be a brother who is homeless and destitute. He has to work somewhere and he would be better working for his sister than somewhere else. But his application is rejected. Mr. Molloy is quite clear about this.

Mr. ROGERS: Will my hon. friend say how many have been placed in Saskatchewan?

Mr. DOUGLAS (Weyburn): I am talking about those who have not been placed.

Mr. ROGERS: About 25,000 have been placed.

Mr. DOUGLAS (Weyburn): If the Minister of Labour met a man who was out of work he would say to him, "Cheer up, my friend, there are a lot of people who are working." That is no consolation for a man who is not working. Then the minister might tell him that he has been registered and therefore he should feel better. I am sure it is not the slightest consolation to the unemployed of this country to know that they have been registered.

Mr. DUNNING: Twenty-five thousand have been placed in Saskatchewan.

Mr. DOUGLAS (Weyburn): If the Minister of Finance will let me go on, I should like to quote from this letter from Mr. Molloy. He says:

> Your opinion that it is much more suitable and proper that a widow endeavouring to maintain herself on a farm should be allowed to have her brother, rather than a stranger, reside in the home and assist in the farm work, is concurred in by my minister, the Honourable Mr. Parker. As evidence of this, I would mention that Mr. Parker made quite a strong appeal to the Minister of Labour at Ottawa to permit the placement of relatives with women who are endeavouring to carry on farming operations in the province. However, this appeal was rejected by the federal authorities.

I submit that in the definition of "homeless" and of "relatives" there ought to be some leeway by those responsible for administration in the respective provinces in order that situations like this may be adjusted. In this particular case the man was allowed to work for his sister for two years under the farm bonus plan. Then in the third year it was suddenly found that as he was a relative he could work no longer. I think serious consideration should be given to this problem. I suggest that the difficulties facing the people in the drought area are due not only to the drought but to certain fundamental economic conditions that have not been rectified. Their difficulties are due above all to the aggravating policies that have been formulated by this government and to a lack of constructive measures to meet the situation that confronts these people.

Mr. J. A. MARSH (Hamilton West): Mr. Speaker, in rising to speak in this august chamber for the first time I do so with memories of him in whose place I now stand. I refer to the late Herbert Earl Wilton. Mr. Wilton was a man whom we in the city of Hamilton had grown to love and respect as a capable and efficient public servant. For several years he served in our city as an alderman, then later as mayor, and he finished his term of public life as the member for Hamilton West in this House of Commons. We knew him not only as a public servant, but as a man whom we had grown to respect and love. His integrity, his love of truth, his exceeding kindliness and his good humour made him beloved by all with whom he came in contact.

I am happy to congratulate the mover and the seconder of the motion for an address in reply to the speech from the throne. As a new member perhaps I can appreciate their feelings and emotions more thoroughly as they stood up to speak than other hon. members, who in their wisdom and experience, have sat in this chamber for many years. I am sorry I was not in the chamber when the right hon. Minister of Justice (Mr. Lapointe) told the house he was just completing thirty-five years as a member of parliament.

Mr. Speaker, I view with regret the content, or shall I say the lack of content, in the speech from the throne. I am moved to say that I regard it as a sad document to be put forth by a government whose Prime Minister (Mr. Mackenzie King), whose ministers and many of whose members have so recently participated in that joyous event, the coronation, and later in the imperial conference of the countries of the empire. What a wonderful clearing house that must have been for ideas and what a diversification of problems to be solved! All of this should have been productive of much. But this government has returned for the third session of this parliament and I submit that the speech from the throne leaves much to be desired.

Canada is faced with a number of problems, at least two of which threaten the very lifeblood of our country. The first to which I shall refer is that of poverty in a land of plenty. The second problem is the apparent desire on the part of some provinces to legislate for themselves and to set up nine separate bodies instead of continuing as the great Dominion of Canada which was handed down to us by the fathers of confederation.

I read from the speech from the throne:

> It is gratifying to note that, during the past year, there has been a further substantial advance in Canada's economic recovery. Revenues have reached new levels. Trade with other countries has materially expanded.

I submit that the recovery referred to is much more imaginary than real, and that, if divorced from its dependence upon our participation in the armaments program in which the world is engaged at the present time, there is little net economic advance. I thoroughly concur with the hon. member for Rosetown-Biggar (Mr. Coldwell) when he said, on Wednesday last, that increased revenue was obtained last year largely through the exploitation of Canada's mines for war purposes and that we were avidly selling to both aggressor and defending nations.

During the last few years I have spoken with people who are thinking people, and if I can believe what I hear and what I read, it is the opinion of a great many Canadians that our nation is one of the most materialistic in the world. I am forced to agree that that is so. We pride ourselves on our standard

of living; but I am convinced that Canada is now putting far too much emphasis on the dollar and not enough emphasis on the man. Our national life is full of evidences of this. I am sorry to say that our churches are not free from it, though I hesitate to criticize them. Our values are all wrong. Does it not seem to be the veriest hypocrisy that we, living in a country where we have virtually control of nickel and to a large extent control of copper, should sell them to belligerent nations for the purposes of destroying life, while at the same time we hear from the radio, the newspaper and the pulpit appeals by the Red Cross—and God bless the Red Cross—that we send sums of money to one million Chinese boys and girls and old men and women to nurse back to health broken bodies, the starved wastage of war? Does it not seem the veriest hypocrisy that shells and other armaments made of Canadian nickel and copper and sold by Canadian industries to belligerent nations should later necessitate philanthropic giving, to nurse, with Canadian surgery and the use of Canadian adhesive tape, perhaps, the products of our own destruction? I submit, Mr. Speaker, that it is poor economy and worse Christianity. It is entirely unworthy of the traditions of the Canadian people.

I make these observations after serious thought. When the leader of the opposition (Mr. Bennett) was speaking on Monday last, he pointed out very clearly the importance of Canadians not taking sides, that Canada must observe her neutrality, that public servants must be guarded in their expressions of opinion as to any belligerent. Also I am mindful that the Prime Minister, in reply, concurred in this thought, and I was much impressed by his earnestness when he said:

> I do hope that in the course of political discussions in this house during the present session, hon. members will think twice with regard to whatever they may have to say on foreign affairs, and ask themselves whether, in view of the attitude which great nations such as England, France and the United States have thought it wisest to adopt, we ourselves should seek to outrun them and attempt some of the things that go much farther than they are prepared to go.

Despite this injunction I am moved to say that the present exploitation of Canada's mines in favour of belligerent nations, of aggressive people at war, is Canada's responsibility. I deplore that I must say it is Canada's guilt.

Also am I mindful of the efforts put forth by British statesmen in the last few years to preserve the peace of Europe. Cannot this government, moved by the high principles of right, justice and peace, do something to eliminate or at least to curtail the exploitation of our mines in order that shells may be sold to belligerent nations? It should never be hinted or even thought of Canada that she sacrificed her national honour for financial gain.

Neither, Mr. Speaker, am I impressed by the increase of revenue which was spoken of in the speech from the throne, when I realize that the taxes paid by the Canadian people last year were greater than in any previous year in our history. You have heard this before, Mr. Speaker, during the discussion, and you will hear it again, because of necessity it must be spoken. Are we to congratulate the government because they have proved themselves to be the greatest tax collectors in the history of federal governments in Canada? I think not. In view of the increase in economic recovery as spoken of in the speech from the throne, why does the sales tax—that much discussed burden which unfortunately falls so largely on the commodities that the man making fifteen or eighteen dollars a week has to buy—remain at eight per cent? Why the tax on sugar? You have heard this before, but in view of the economic recovery, why is that tax still one cent a pound? In view of the surplus in the department of the Postmaster General I wonder why postage is still three cents? The leader of the opposition put the matter in its right category when with ridicule he said, "Behold the surplus!" If recent government action gives any indication of what is going to happen in the next few months it would appear that taxes are increasing rather than decreasing. Otherwise why the increase in the radio licence from two dollars to two dollars and a half? I am not going to belabour the point now; I wish to speak of it a little later.

Mr. Speaker, I believe that it is unbecoming in a young man, especially a new member, to be intolerant. As we approach years of maturity we should find in ourselves a readiness to stand in the other man's shoes, to look at mutual problems through the other man's glasses, and I hope that as long as I am on the opposition benches I shall not be found continually condemning the government. I am not made that way. Consequently perhaps I may remark that when hon. members who now sit to the right of the Speaker move over, as they will do in a little while, to the left of the Speaker, they will conduct themselves accordingly.

Therefore, realizing that this young country of ours—and how prone we are to boast about its trees, its streams and its lakes, its rivers

that generate power, the nickel and copper we take from the bowels of the earth, the apples which compare favourably with the best in the world—with all its present wealth and its potentialities, is faced with a menace, an enemy which is stalking through the length and breadth of the land, cannot this parliament unite to banish that monster from among us? His name is poverty.

I come, Mr. Speaker, from the industrial city of Hamilton. Hamilton is the Pittsburgh of Canada, and the finest city in this country.

Some hon. MEMBERS: Hear, hear.

Mr. MARSH: I hear some assent and some dissent from a few members, perhaps from Toronto. Perhaps I may be permitted to say to them that civilization has always moved from the east to the west, and there may come a time when "the desert will blossom like the rose" and Hamilton will extend its boundaries north, south, east and west, but mostly to the east, and when that time comes, the city of "Toronto the good" will perhaps find itself rejoicing in the bosom of a greater and better Hamilton.

We pride ourselves in Hamilton upon possessing a university, and we have a school system that we think is second to none. We have other cultural advantages, but Hamilton is still a city of dinner pails and time-clocks and pay envelopes. Because of our natural geographical location, and because of the fact that we have a fine harbour and good railroad service, as good as the present setup can give us, industry knocks at our door, and we joyfully admit industry. Yet, Mr. Speaker, I am distressed to see the men and women who haunt our streets day by day looking for the job they cannot find. I am distressed also by the great percentage of men and women in the city of Hamilton who are working in our industries, giving an honest day's work and receiving in return a pay envelope that is inadequate even for the bare necessities of life. I am further distressed by the number we have on relief. Our relief system is, we think, one of the most economically operated in Canada, and we are proud of it. But relief is a poor substitute for a job, and it is a terrible impost on the taxpayer who is trying to help out his less fortunate fellow-citizens.

We listened the other day with a good deal of interest to the Minister of Agriculture (Mr. Gardiner) as he told us what the government had done and tried to do in the west. We were gratified to hear that the government had done so much, but we have also heard from western members who have told us of the spectre of poverty that is marching throughout the west, leaving in its wake destitution, bundles of bones—horses or cattle—wandering on the prairies, little children clothed in burlap, receiving a steady diet of potatoes, and perhaps not that. I would like to say to the members from the west that those of us in the east pay our tribute to you of the west. You have been brave; you have fought manfully. Perish the thought that the east should ever forget the west, or the west ever forget the east! Perish the thought that one province should ever war with another! Perish the thought that this Dominion of Canada should ever disintegrate because of selfishness! But I would like to point out that the government now in power appealed to the electorate in 1935, and said: If you put us into office, you will have the federal government and all the provincial governments of this country of the same political persuasion, and we shall have a cohesion and a unity which will enable us to solve many of the problems that are now distressing this country. I submit to you, Mr. Speaker, that this government stands condemned until that is a realization, and not just a fond hope—and that time is not yet.

To the hon. Minister of Labour (Mr. Rogers) and the hon. Minister of Trade and Commerce (Mr. Euler) I would suggest that we cannot brag about our trade and commerce so long as we have 960,000 people on relief in a country of 11,000,000, almost one in eleven of our total population. We cannot brag about our resources or our world trade so long as we have a great mass of people in our cities and in the country living in the shadow of insecurity, and of fear of what to-morrow may bring.

May I say a word about the tendency on the part of this government to reduce tariffs in industries which depend upon protection for their very existence, the payrolls of which are even now inadequate to afford a decent living to their workmen. I refer to the reductions that have been made in certain tariffs during 1936 and 1937. I am an advocate of a reasonable tariff for an industry that needs protection. I am an advocate of foreign trade. I believe in exchanging our surplus products, if they can be exchanged with a country whose business cycle is not a feast-and-famine cycle, whose market is more or less stable, whose trade shows some degree of consistency, and therefore I am alarmed at the reference made in

the speech from the throne to the proposed trade treaty between Canada and the United States. To what extent will it affect the present British Empire trade agreements, so skilfully and carefully prepared by the late government under its right hon. leader (Mr. Bennett), and implemented by the present government somewhat. There is great apprehension on the part of manufacturers as to what the future holds for them. How can they plan with tariffs that jump around? While the speech from the throne does not indicate the specific classes of goods that may be affected, nevertheless I should like to quote what the leader of the opposition said in his speech on Monday last:

> There is nothing more we can give the United States except specific reductions of tariff items, but we are told that what we are to do is to sell our British preference for these benefits. That is the story. Without going into it in detail, the sole, simple question is: What price? And what price means what concessions we are prepared to make from the British preference in order that we may get something for which we have given already everything we have to give on our own account, so that we have nothing more to offer except reductions in specific items. . . . We are not prepared to take quotas when we have given 125,000,000 people everything.

I am rather taken by the undeniable fact—and it applies in this instance—of how history has a habit of repeating itself. Why are Liberal governments against, and why have Liberal governments through all the years been against industry? Senator Beaubien, on April 1, 1936, reviewing the success or failure of reasonable tariff protection of our industries, instanced the year 1930, and said:

> So our tariff wall was being demolished brick by brick, and a flood of merchandise from all over the world was pouring into Canadian markets with the result that manufacturers who had been in business in this country for years and gave employment to large numbers of our citizens were unable to withstand the competition.
>
> What was the position in 1930? The manufacturers of the United States, enjoying higher protection and greater sales volume than do our manufacturers, flooded our market with $900,000,000 worth of goods, $600,000,000 worth of which competed directly with our own manufactured products.
>
> I do not say this disparagingly, but it has always struck me as being very strange that, traditionally, the Liberal party has in a sense always been opposed to our manufacturers. My hon. friends opposite know this to be a fact. Why is this?

We are still asking that question in the year of Our Lord, 1938.

> The situation was bad enough in 1930. What is it like now? I dare say that there is no other country in the world which provides such dangerous competition for our industries as does the United States. We could perhaps meet the competition of glassware and boots manufactured in Czechoslovakia, for that country is a great distance from our market, and, so far as its boots are concerned, our people will not wear them. But every hon. member having the slightest experience of business knows that the manufacturers of the United States are competitors against whom it is virtually impossible for us to compete. This was evidenced in 1930.

I shall not read further, but I would point out that since this statement was made, tariffs have again been lowered, and now we have a proposed trade agreement with a country of 125,000,000 people who have protected themselves with a 60 per cent tariff, while our own country, with 11,000,000 people, has an average tariff of approximately 14 per cent. We have an adverse balance of trade with them at the present time; what have we to gain?

May I say a word or two to the Minister of Finance (Mr. Dunning) with regard to certain branches of the textile industry. I have learned to respect the Minister of Finance; I admire his brain and his tongue, and most of all I like his very cordial manner in the House of Commons. But I cannot understand the way his brain works when it comes to the protection of our industries. I am aware that there are certain branches of the textile trade which came in for condemnation because they have not played the game in the past, but there are other branches which need protection. Surely the minister does not need to be reminded that $25,000,000 is paid by this industry directly to men and women who work with their hands; nor does he need to be reminded that there are eighty-two municipalities in Ontario, thirty-nine in Quebec, eighteen in the maritime provinces and seven in the west which are dependent upon this pay-roll and benefit by it. I would ask him to compare the duty into Canada with the duty into ten of the principal cotton-manufacturing countries.

I quote from an authority which I regard as responsible and I give as a basis five Lancashire gray cloths. Taking cloth No. 1, the rates are:

	Per cent
United States	22·3
Japan	21·0
United Kingdom	23·0
India	23·0
China	35·5
France	33·6
Brazil (minimum duty)	197·4
Czechoslovakia	22·3
Belgium	25·0
Canada	15·0

Mr. DUNNING: Is that gray cloth?

Mr. MARSH: That is gray cloth. The percentages for cloth No. 2 are:

	Per cent
United States	19·5
Japan	18·8
United Kingdom	23·0
India	23·0
China	35·5
France	24·2
Brazil (minimum duty)	215·9
Czechoslovakia	25·1
Belgium	22·4
Canada	15·0

I shall not weary the house by giving the figures for cloths Nos. 3, 4 and 5; they all find Canada at the bottom of the heap with 15 per cent. I have not said anything about five countries which might be spoken of as textile manufacturing countries—Germany, Russia, Italy, Spain and Poland—all of which might be claimed to have special considerations governing the extent of their tariffs; but I have quoted ten of the fifteen important textile manufacturing countries. It is evident that the Canadian duty on cotton textiles is the lowest of any textile manufacturing country in the world and that our standard of living, thank heaven, is higher than it is in China. I submit therefore that the tariff should not be further lowered, but should be raised.

It has been said of this government that it is a safe government. I wonder what we mean by "safe." We cast our minds back a few hundred years to the middle ages and read of monks going into monasteries in order to be safe. They shut themselves off from the iniquities of the world, from sin, and hardship and warfare in order that they might be safe. We who are in positions of leadership in Canada's parliament are very much at grips with life, and we cannot be inactive; we must wage war on this thing we call poverty. I am mindful that during the recent depression the then government, now sitting in opposition, was blamed for the greatest slump in the history of modern times. The present leader of the opposition, then Prime Minister, came in for a great deal of criticism and blame, but his shoulders were broad. He was blamed for the collapse of the whole world, at any rate for the depression, so far as Canada was concerned. I shall not reciprocate in kind and blame the present Prime Minister and his government for the fact that the sun did not shine at the right time in Saskatchewan; that the rain did not fall; that the wheat did not grow; that men who sowed did not reap. But I do submit, in the light of evidence that we have heard on the floor of the house, that the government did not act soon enough. It did not go into the situation thoroughly enough, and the west suffered mightily because of the want of aggressiveness and because of the passivity on the part of this government. The government did not act with the dispatch which the pressure of the moment demanded.

And now, I shall voice the protest of hundreds of thousands of Canadians against the present radio situation. First of all, I refer to the increase in licence fee from $2 to $2.50, and in the second place to the impost of $2.50 for each additional radio in the home and for radios in motor cars. The hon. member for Peel (Mr. Graydon), speaking the other day, hit the nail on the head when he said that it was a nuisance tax and that the people regarded it as such. The Canadian Broadcasting Corporation was looked upon with a good deal of kindness for a while when it was dependent upon the good will of the people, but it is losing that good will quickly. But there is another question: Why should the Canadian Broadcasting Corporation, protected by government licence and supported by the people's funds, go into the radio business on a commercial basis and compete with privately owned radio stations who did the pioneering? Years ago when the radio was a new thing men had faith in it, to the extent of being willing to dig down into their pockets and establish a radio industry. Through the years the going was hard and they were in the red, but now that it appears that world trade is coming back and they have a chance to make money the government goes into the business. What would happen if the government went into the steel business and started to buy and sell steel? You know what would happen, Mr. Speaker, and so do I. This idea, of the government using radio as a commercial means of putting out of business established industry, is wrong.

Might I review briefly why the Canadian Broadcasting Corporation was set up? It was established with the intention of providing competition for foreign broadcasts. It was argued that a broadcasting organization supported by the Canadian government, financed by revenues from listeners, and with its credit standing guaranteed by the government, could develop programs which would compare favourably with and therefore could compete with United States broadcasts. These programs were to be made available to Canadian radio stations. The Canadian Broadcasting Corporation was given wide powers, including power to refuse to any Canadian radio station the right to import any foreign program. I remember well two years ago that a great motor car company which has one of the finest broadcasts on the air desired to send that broadcast over

Canadian airways. A Canadian radio station had the business initiative, the facilities and salesmanship to go out and sell that company. Then arrangements were made to broadcast the program over Canadian stations, all this to be subject to the approval of the Canadian Broadcasting Corporation. They applied to the Canadian Broadcasting Corporation, and permission was refused. Months later I understand that another motor car manufacturer in the United States, which has a Canadian factory and employs Canadian workmen, wanted to broadcast a radio program in Canada. A Canadian station applied to the Canadian Broadcasting Corporation for the right to use that program, and was refused.

Now what has happened? The Canadian Broadcasting Corporation in its search for further revenue is now doing exactly what it formerly would not permit the private station to do for the same purpose. Further, the corporation I understand is offering United States agencies special concessions in the form of corporation networks at a combined cost far below the normal time charges of these stations, also line facilities at less than normal cost. These concessions are being made to attract foreign broadcasts to the Canadian Broadcasting Corporation stations, and, mark you, the deficit is being paid from my $2.50 and the $2.50 of the poor fellow making $18 a week, who has just as much right to radio as anyone, if our standard of living is to be kept up. Why the right about face?

Now my time is almost up; so let me briefly summarize what I have said about the present radio set-up in Canada. First, the Canadian Broadcasting Corporation imports foreign broadcasts for its own network, which privilege has long been denied the private stations. Second, the corporation establishes powerful broadcasting stations but will not permit the private station to increase its power; therefore it cannot compete. Third, the corporation offers sponsors the facilities of these stations, its networks and line facilities, at less than normal cost. Fourth, the non-Canadian activities of this corporation are made possible and the payment of the deficit incurred by a licence fee of $2.50 for each individual radio, which is an imposition and a nuisance tax that should be withdrawn altogether.

Finally, Mr. Speaker, I have the friendliest feelings for the people of the United States of America—part of my family live there, although they are Canadian born—and I think it is very fine that we can have the friendliest of intercourse with that great English-speaking country. But, sir, I deplore the fact that a responsible Canadian journal, the Financial Post, can truthfully say, in black headlines, a thing we cannot deny—"United States speaks—Canada listens!"

Mr. F. D. MacKENZIE (Neepawa): Mr. Speaker, first I offer my congratulations to the mover and the seconder of the address in reply to the speech from the throne.

Then, sir, I wish to speak briefly on one or two subjects that have been discussed during this last week. First, I should like to make some observations on unemployment and relief, chiefly as relating to the province of Manitoba and more particularly the constituency I have the honour to represent.

Manitoba is still an agricultural province, and as such there will always be a seasonal fluctuation in employment. Under normal conditions there is always a part of the year when employment is active, that is during seeding and still more during harvesting and threshing; also there is a period when employment on the farm is slack. That will always be the case unless there is some change in the set-up, as would now appear to be working itself out, for due to the more extensive mechanization of farming the labour requirements even during the busy season are much less than they were in the past. In spite of that, if it had not been for the help of men from Saskatchewan, Manitoba would have been short of labour during the last harvest season. Farmers from the drought area of Saskatchewan poured into Manitoba last year, and the stream even trickled through to Ontario, as I found in more than one part of this province last autumn. But the fact remains that while in the city of Winnipeg many men were unemployed and on relief the country was short-handed and would have suffered had it not been for the drought in Saskatchewan which allowed the farmers from that province and their sons to come to the assistance of Manitoba farmers.

If we leave out of the picture the drought area in Saskatchewan and Alberta, has there ever been more employment in Canada at this season of the year than there is this year? That does not mean that I am satisfied with the situation; I just put the question. I repeat what I said at the outset, that Manitoba being largely a farming province will continue to have these seasonal fluctuations. Normally more men are required in the summer than in the winter. This has always been the case and will continue to be so under the set-up we have now. What is to be done about the matter? Is the cure to

be found in establishing more secondary industries in the west? I do not think so, because men employed in factories would not be available on the farms unless the factories worked only in the winter, which of course is not feasible. The cure is to be found in something which will put the farmers in such a financial position that they will be able to hire men for longer periods, that is, to hire permanent help.

In the old days, before the advent of direct relief on the present scale, men went out from the towns and cities to work on the land during the summer months. Then in many cases they went back to the cities, doing little or no work all winter. Some would go to the woods for the winter, but there never has been in Canada sufficient lumbering and allied work to take up the slack of winter unemployment, especially on the prairies. I remember that in Ontario, when I was a boy here, many of the young men in our community would follow the work of sailing on the great lakes. As a rule they did not work in the winter; in the great majority of cases they would lay up. I suppose the nearest we have come to taking up this winter slack in employment in Canada has been during the several railroad building periods of the past.

The point I wish to stress is that before the present period of depression and large scale direct relief, men never thought of going on relief even though conditions in regard to employment were no better than, or not as good as, they have been during the present winter. As hon. members know, people have gone to the cities and gone on relief, and they will not go on the land during the busy season. They prefer to remain on relief throughout the year. In that connection I want to say that the relief rates are so high in the cities that farmers cannot afford to pay men enough to compete with existing rates of relief. That is the case as between Winnipeg and rural Manitoba. I know a great number of cases in my own constituency, where men have come out from Winnipeg for harvest work, good farm labourers, men who should be living in the country instead of the city, because they know farm work better than city work, and who have gone back to the city because they could draw more in relief than they could make by working in the country. They have made that statement quite openly. A farmer cannot pay wages high enough to compete with the relief rates in the cities at the present time.

That is one side of the situation. There is another side to look at. During the last few years in the west the farmer has taken such a beating year after year that he has no reserve left. In a great many cases he may be actually gravely in debt. Much of his machinery is in bad repair; much of it is out of date, long past the time for replacement. Buildings are in need of paint and repairs, but the farmers are not in a position to hire men for the better part of the year. They have been hiring men only when they could not possibly get along without help, particularly for harvesting and threshing. Many have done without help altogether. Now that times are a little better for the man on the land, he may put some of his surplus into the new machine he needs so much. Then he may put a little into much needed repairs to his buildings. After that, if his taxes are paid, he can begin to think of hiring help for longer periods of time. Many of the farmers in our constituency would hire men if they were sure they would be able to pay them after harvesting their crops. That is what they have told me. That is why in Manitoba, and especially in our part of the country where a fair crop was harvested last year, some farmers did not hire help except for harvesting and threshing. Last summer they found it difficult to get men in the busy season, having waited too long. This was where the Saskatchewan men who came into the province at that time saved the situation.

It does create a problem when the farmers do not hire men right through the season but take them on for only short periods. First, it makes it difficult for the farmer himself to have any choice in his labour supply, for when he does need a man the supply is limited. In the second place it is very difficult for the labourer to carry on until he is again needed on the farm, and if he finds another job in the meantime he cannot be expected to throw it up in order to work for a few weeks on the farm.

The solution for this phase of the problem will be found only when the farmer himself is assured of a living wage, an income suited to his requirements. When you assure the farmer a fair return for his work you will automatically solve a great many of the other problems that are worrying us to-day. The hon. member for Huron North (Mr. Deachman) is right; put the primary producer on his feet and you will cure most of our economic ills.

To sum up that part of my argument, if Manitoba is to remain a farming province the position of the farmer must be improved, because labour cannot be employed unless the farmer can afford to hire labour con-

tinuously. So the farmer must be helped to attain a position where he can hire labour steadily.

Before leaving this point may I say in passing that there are a great many other families who, like the farmers, have fallen behind during the years of depression, and who will find it difficult to exist until they can again find steady employment at reasonably good wages. Many have used up what reserves they had, and at last have had to go on relief. Many, I know, have gone on fighting and have kept off relief. Many of those people deserve a better fate than a continuance of that grim struggle, and I think the government should do more rather than less in providing work for those who have kept off relief in spite of everything.

I should like to offer a suggestion to the Minister of Labour (Mr. Rogers) which will help in Manitoba. It is that public works coming under the dominion-provincial agreement, such as road work, should get under way earlier in the season and not late in July or August, as has been the case in the past. I know it is not the fault of the minister; but if that could be done, once seeding is finished men could go to work on the road projects. Then, these being completed, the harvest would come along and the farmers would be able to get men, while the men would continue to get jobs. This would do away with the conflict as between the farmer and the contractor for men for short periods in the summer and the resulting periods when neither the farmer nor the contractor is busy.

There has been an improvement in the Manitoba farm situation, but there is much leeway to make up. Several years like 1937 would do a great deal to put the country on its feet, provided other things were taken care of by the government. This brings me to another matter which has been discussed in the course of this debate and which I hope to have an opportunity of dealing with at greater length later in the session. It follows naturally and logically.

The speech from the throne mentioned the pending trade treaty between the United Kingdom, the United States and Canada. If I may judge from a survey of Canadian newspapers, there is little opposition to the treaty and much support. The treaties already consummated by this government and the moderate reductions that have been made in the tariff have been generally conceded to have assisted in building up our external trade to the point where we are in fourth position in the world in export trade. That that improved trade has had a beneficial effect on our whole national position is borne out in many ways and is so stated by many who are not avowed free traders. Mr. Wilson, President of the Royal Bank of Canada, had the following to say in his annual statement:

> Where the recent prosperity in the United States has been dependent mainly upon large-scale government deficits, the Canadian recovery took its origin from foreign trade. There was no single remedy to bring about improvement.

He mentions a number of possible remedies and then goes on:

> But these should be combined with exceptional efforts on the part of the government to open the doors to foreign markets.

And again:

> I view with satisfaction the present tendency among democratic countries to break down barriers impeding the natural flow of business.

He says a lot more which I shall skip. I should like to quote a report in the Ottawa Journal of January 28 of a speech by Mr. McLeod, President of the Bank of Nova Scotia, as follows:

> During 1937 there was a modest reduction in the barriers to international trade. Some countries, of which Canada was one, made significant if moderate decreases in their tariffs. New trade agreements were negotiated, of which that between Great Britain and Canada was among the more important. Some exchange controls were relaxed and according to League of Nations authorities the actual administration of such controls and clearing agreements was in many countries made less rigid.
>
> Now that the recovery in trade appears for the moment to have been interrupted, it is more important than ever that further steps should be taken to lower barriers which still obstruct the flow of goods from one country to another.
>
> The recent opening of trade negotiations between Great Britain and the United States is of the greatest significance. A treaty between these two countries would tend to reduce the barriers to trade over a very large part of the world. A truly successful agreement would hold vast promise for the further revival of trade and thus for the continuance of world recovery.

Mr. Speaker, it all seems very reasonable and very logical. Moderate tariff reductions by Canada would be followed by increased trade which would be followed by improved conditions of employment. All this would be to the general benefit of Canada. Does this not suggest that the reasonable and logical course to pursue is the further lowering of tariffs which would be followed by a further improvement in employment and in Canada's economic position? Mr. McLeod goes on to say:

> The price of success is a willingness to make concessions in the spirit of give and take, not only by the two parties directly involved but also by Canada and the other British dominions.

These two men cannot be accused of being free traders and yet they ask us to press on to lower tariffs in order to promote the common good of all. We can do this by trade agreements and we can do it in the ordinary way.

We look forward to the agreement mentioned in the speech from the throne with hopeful anticipation. We look forward to further reductions in our tariff structure so that improvement may continue until national prosperity is assured.

As I said before, a few more years like Manitoba had in 1937 would help to put the country on its feet. Two sections of my constituency were completely hailed out and of course the people suffered as a consequence, but the rest of the country enjoyed a comparatively good year. My constituency embraces one of the finest farming districts in the west, in fact anywhere in Canada, sloping as it does to the south and east from the Riding Mountain plateau. Each year of the three I have been a member of this house I have listened to eulogies on the county of Peel, a fine county which I know personally, but if the hon. member for Peel (Mr. Graydon) would come west and visit with me for several days I could show him a constituency the equal of his own in many ways, and the superior in others.

I could show him the district which produces the cream and butter which has for years led the province of Manitoba to the grand championship of Canada at all the large fairs. Manitoba has led all Canada since 1924 in the production of quality butter, and for the last several years the creameries of my constituency have led Manitoba to victory. Not only has the Gladstone creamery won the grand championship at the Canadian National Exhibition, but at the last three successive Royals it has captured supreme honours. It has taken those honours right from the front door of the county of Peel.

We also produce live stock which has competed with success at the larger fairs. What is more, our men and boys know their live stock. Of the Manitoba boys' and girls' clubs team at the Royal last year, the four boys in live stock judging were from my constituency. Our honey is of a much better quality than one can find here in Ontario, so much so that I bring my own supply with me each session.

But we have more than fine grain, live stock, butter and honey; we have admittedly some of the finest scenery in the country. I would like to take hon. members to the Riding mountain national park, down the east slope of the mountain. As the road winds slowly downward through the poplar, spruce and birch, now on the edge of a precipitous cliff, now overlooking a deep ravine, we would see far below mile after mile of cultivated farm lands and away on to where the far horizon blends into lake Manitoba's waters. Some of those glorious vistas are comparable in kind and beauty, but more expansive, with some we have known in Italy. There are many other scenes which might well make one, on viewing them, imagine himself in bonnie Scotland.

But my time is going and I should like to touch on just one more of the subjects mentioned in the speech from the throne. It gave me pleasure to note that there was to be an expansion in the program of youth training. That is as it should be. The work last year was to some extent in the nature of an experiment, but it proved so successful in our province that its extension is amply justified. I do not know just how much the Minister of Labour (Mr. Rogers) will expand or extend his program, but he can be assured of my complete support even to the limit of the greatest burst of generosity by the Minister of Finance (Mr. Dunning). I do not intend to say more on this now, but I hope to join in the discussion when it comes again before the house.

I cannot, Mr. Speaker, support the amendment.

Mr. F. C. BETTS (London): Mr. Speaker, I should like to add my own words of congratulation to those we have heard already to the mover (Mr. Francœur) and the seconder (Mr. Warren) of the motion now being debated. With most of what they said I am in active disagreement, but nevertheless I should like to felicitate them on the graceful manner in which they performed their duties.

At the outset of my remarks, which will be very brief, I too should like to register, as a representative of a riding in which a great many people are engaged in the manufacture and distribution of radios, a strong protest against the increase in the radio licence fee. This added tax, to my way of thinking, is objectionable for a number of reasons. In the first place, it will retard the sale of sets, particularly what are described as secondary sets, that is the small sets, such as are used on the mantel, and in a motor car. In the second place, it is going to place on the Canadian radio audience a burden which is entirely disproportionate to the benefits, if any, that we derive from the Canadian Broadcasting Corporation. Finally, it is a tax which invites evasion and dishonesty, in that the honest taxpayer will declare his

extra sets and pay the very considerably increased tax on each one, while the dishonest taxpayer will conceal his extra sets and evade the tax. Last, and most important of all is the consideration that by this additional impost the government is seriously obstructing an inexpensive source of amusement, relaxation and education which in the past has been available to hundreds of thousands of people in this country who because of their limited means would otherwise enjoy the minimum of these blessings. For these reasons I feel the government might as well cancel the increase at once.

I should like to read the paragraph in the speech from the throne which states:

> The strains and stresses, which economic and social developments since confederation have placed upon Canada's governmental structure, have disclosed the necessity for adjustments which will enable it the more effectively to serve provincial and national needs, and to promote and preserve Canadian unity.

With that statement, Mr. Speaker, no one can be in disagreement, and I would venture to suggest to the government of the day a few methods by which the strains and stresses under which we are suffering may be, in part at least, lessened, by which the national need can be better served, and by which Canadian unity may be promoted and preserved.

There is one means which would go a long way towards these very desirable ends, and that is based upon the fact, which we all admit, that to-day we live in an age when propaganda is more powerful and more prevalent than ever before in the world's history. The spoken word and the written word have more power to-day than they have had at any time in the past. That being the case, any measure which will tend to facilitate the means whereby our national hopes, our national problems, our national aspirations, are disseminated will be a measure tending to preserve and promote Canadian unity, and any measure which makes against the establishment of a Canadian literature will be very much opposed to these objects.

I should like to point out that when the former government was in office there was, until 1935, a tax on magazines entering this country from the United States. That tax was removed when the present government assumed office, and the result of its removal has been a tremendous influx of publications, periodicals and magazines, in which the Canadian viewpoint finds no place whatever. Many of them contain a great deal of active pro-American and anti-Canadian propaganda. Most of them are, to use a colloquialism, tripe, devoted in the main to cheap sensationalism and pallid pornography. Many of them are decidedly harmful and objectionable, taking into consideration the fact that many of these publications inevitably fall into the hands of our young people. To show the rate of increase of this undesirable type of literature, in 1935 when the duty was on, we imported United States magazines to a value of $2,625,000. The tax was removed, and next year the total value jumped to $4,037,000; last year it was up to $5,900,000. I made some inquiries recently, Mr. Speaker, of a very large and very reputable concern, whose business is the distribution of magazines and publications, and I find that they listed and carried in their stock what they described as 1,000 "titles"; that is to say, 1,000 separate magazines and periodicals. Of these only 2½ per cent were Canadian; some 35 to 40 per cent originated in the British Isles, and the balance, or roughly 60 per cent, were of United States origin. That is a situation which the government could very readily and simply correct, and I would urge the government in the interests of Canadian unity, with the idea of encouraging our people to do more Canadian reading and more Canadian thinking, to reimpose that salutary tax which existed in 1935.

Another effective manner of promoting Canadian unity is to foster and protect to an adequate extent our Canadian industries. I am not one who is opposed in any sense of the word to foreign trade, nor are such views held by the party of which I have the honour to be a member. But I do appreciate the immense importance to this country of our domestic and imperial markets. Coming from a riding which, as I have said, is industrial, I have seen for myself the benefits which industrial workers there and in every part of the dominion have derived from the empire trade agreements of 1932. Those agreements are just as good as they ever were, and I submit to the government with all the emphasis at my command that in the revision of the Canada-United States treaty which is now being considered they must do nothing to weaken the empire trade agreements. I urge the government not to give away any of our empire preferences. If they follow my suggestions in this connection they will do much to promote and preserve Canadian unity; they will serve the national need, and they will relieve our body politic of some of the strains and stresses from which we are suffering.

Turning to another paragraph of the speech, I note the mention, and a very proper one,

of the coronation ceremonies. That event has been described as one of special significance, and we are all in entire agreement with that expression. On that occasion our young king and his young queen assumed staggering responsibilities, of which they have since discharged themselves royally and magnificently. On that occasion all parts of the empire were represented. It was the greatest festival of empire the world has ever seen. It was an opportunity for every part of the empire to advertise itself before a great cloud of witnesses. I call to mind the remarks of the Minister of Agriculture (Mr. Gardiner), with which I am in full agreement, as to the desirability of this dominion advertising its products in London to the very best possible advantage. The coronation ceremonies afforded Canada, along with the other dominions, a golden opportunity of advertising its greatest national product, its manhood. We were honoured along with the other parts of the empire by an invitation to send a delegation to represent Canada.

Let us see how the government availed itself of that opportunity and how they proceeded in their selection of Canada's contingent. In the first place, they made a ruling that representatives should attend the ceremony from our naval, militia and air services and the Royal Canadian Mounted Police—an eminently proper ruling. A delegation was built up totalling three hundred and fifty-one. It was composed of thirty from the naval services, two hundred and fifty-six from the militia services, thirty from the air services, and thirty-five from the Royal Canadian Mounted Police. Let me say before I go any further, in order that no misunderstandings may arise, that the representatives of the mounted police, I am told by every one who was at the ceremony, were a credit to their corps, to their commissioner, and to their country. I have heard them described time after time as the smartest uniformed men in the coronation procession.

I propose to deal with the representatives of the militia service—a subject in which I have a particular interest, having served for some time in the Canadian militia. Let us examine that militia contingent of two hundred and fifty-six with the idea of seeing how it was made up as to ranks. It is a question, no doubt, that must have given the government some thought. I shall not weary you, Mr. Speaker, by detailing all the various ranks; I shall simply say that in that contingent there were thirty-two gunners, privates and bandsmen, and the balance of the contingent, two hundred and twenty-four, consisted of officers and non-commissioned officers. I do not know what precedent the government followed in arriving at that quota.

I think it is of interest to see how some of our military formations are made up as far as the matter of rank is concerned, and I would place on the record a few figures as to the constitution of an infantry battalion on a peace-time basis. I take an infantry rifle battalion as being typical. The total of all ranks of such a unit is four hundred and seventy, and of these there are two hundred and thirty-four private soldiers. In other words, as near as a toucher, there is one private soldier for each other soldier of higher rank. I would draw to your attention, sir, that in the coronation detachment, for every private soldier—and I speak still of the militia detachment—there were seven soldiers of higher rank to every private. As a result of that somewhat top-heavy constitution of the militia detachment, some strange things followed. I should like to read an article from The Legionary of July, 1937, entitled "Tickled Tommies":

> Canadians could be very proud of the military bearing of the dominion's contingent, declared Colonel J. E. L. Streight, M.C., M.P., commandant of the Canadian coronation contingent, on his return from England last month. The Canadian guard at Buckingham palace was mounted with only one day's notice in advance, and it was conceded that the Canadians turned out as smart a guard as the British regulars, Colonel Streight said.
>
> There were one or two amusing incidents in connection with the Buckingham palace guard duty.
>
> "Before we mounted guard, sentry duty there had never been done by warrant officers, and a special order had to be issued by the War Office to permit Canadian N.C.O's to perform the duty of a private soldier. It was necessary because of all our contingent of 359 there were only five privates. British Tommies were tickled to see regimental sergeant-majors and other high-ranking warrant officers doing sentry duty like private soldiers," Colonel Streight related.

I can only say that British Tommies and others may have been tickled to see an entire reversal of what is usual in important military duties, especially when these duties were being carried out at the king's front door. But if I may speak for many people who were anxious to see the best possible, the most military and the smartest detachment representing Canada on that important occasion, these people—many hundreds of thousands of them—were not and are not tickled by that extraordinary situation. Dealing still with the claim made by the hon. member for York West (Mr. Streight), who commanded the Canadian contingent on the occasion in question, that the Canadian guards were as smart as the British regulars, I would refer hon. members to the coronation

number of the Illustrated London News of May 22, 1937. It is in the parliamentary reading room and they can get it there. There is probably no publication that has a wider circulation in every part of the British Empire than the Illustrated London News, and at page 955 hon. members will find a picture with the following letterpress beneath it:

The first dominion troops to guard the royal palaces: Canadians relieving the Welsh guards. On May 9, for the first time in history, dominion troops mounted guard at British royal palaces. Precedence was accorded to the Canadian coronation contingent as representing the oldest dominion. They took over from the Welsh guards at fourteen posts (seven at Buckingham palace and seven at St. James's palace) for six hours.

If hon. members will examine the picture they will see that it shows a sentry being posted for guard duty, and being instructed in his duty; and standing beside him is the sentry whom he is about to relieve. The sentry who is being posted and instructed is a Canadian sergeant-major, who, as hon. members know, is a very high-ranking non-commissioned officer. He is being instructed in his duties by a Canadian corporal, an extremely junior non-commissioned officer. That, I submit, is making a farce of what should be a solemn occasion, and there was no necessity for it except for the fact that the government chose to leave all privates at home except thirty-two. I make these remarks not with any pleasure whatever, but simply because I regard it as a duty that should be performed. Nor do I know who the sergeant-major is. He may have a fine military record, or a fine political record; I do not know anything about that. But he is not a smart and soldierly figure. His greatcoat is pulled all awry; he stands a foot shorter than the imperial soldier whom he is relieving; and he has a bulge in front, which, to put it mildly, suggests that for a soldier doing sentry duty outside his majesty's palace he is in a very interesting condition.

In all seriousness, I am going to submit to the government that to choose a contingent, in which private soldiers were represented, on the scale of one to seven, is the antithesis of democracy, and the quintessence of fascism. I say further that the adoption of any system whereby the plums go to the high-ranking men, "and to blazes with the men in the ranks," will do more than anything else, not to promote and preserve national unity, but to prevent and to destroy it. It will do more towards that end than anything I can imagine. I would say, furthermore, that it should have been obvious to the meanest intellect; it should have been obvious to the Minister of National Defence (Mr. Mackenzie), that the private soldier, the man in the low-paid ranks, was least able to pay his way to this great festival of empire, while the high-ranking officers were best able to go at their own expense.

I remember that in the course of the last election campaign there was a grandiose and grandiloquent book displayed on the newsstands, selling for $1 or more. It was called The Liberal Way, and I am told on very good authority by my publisher friends that it can now be picked up in any departmental store for fourteen cents. I put it to you, Mr. Speaker, if the manner in which Canada's coronation contingent was selected was the Liberal way, the book is grossly overpriced at fourteen cents. I would not give the Prime Minister's favourite price of five cents for it; in fact, I would not take it as a gift.

On motion of Mr. Turgeon the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 8, 1938

The house met at three o'clock.

RAILWAY ACT AMENDMENT

PROPOSED APPLICATION OF CROWSNEST PASS RATES ON GRAIN WESTWARD AS WELL AS EASTWARD

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 18, to amend the Railway Act.

Some hon. MEMBERS: Explain.

Mr. REID: Mr. Speaker, this bill seeks to amend the Railway Act so as to give to the people of British Columbia equal treatment with respect to rates on grain and grain products to that enjoyed by the people of Ontario, Quebec and the maritimes. It is the same bill that I have introduced into this house in each of the past four years.

Motion agreed to and bill read the first time.

THE NEW TESTAMENT

REPORTED REFUSAL TO PERMIT DISTRIBUTION IN QUEBEC CITY

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, I should like to direct a question to the Minister of Justice (Mr. Lapointe). Has the government any statement to make regarding the refusal of the authorities to permit

officials of the Baptist church to distribute copies of the New Testament in the city of Quebec, and particularly with reference to the statement by Superintendent H. R. Gagnon, of the Royal Canadian Mounted Police, who is reported as having said, "The general practice is to withhold permission."

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I should merely say that the government has no statement to make with regard to the matter, but obviously my hon. friend is actuated in directing his question to me because the name of Superintendent Gagnon, of the Royal Canadian Mounted Police, is mentioned. Superintendent Gagnon is now Chief of Police of the city of Quebec. Under an arrangement between the Commissioner of the Royal Canadian Mounted Police and the city of Quebec, he has been lent for a certain time for the purpose of reorganizing the municipal police force. He is paid by the city of Quebec; he is a servant of the city, and does not take any direction from the head of the Royal Canadian Mounted Police so long as he is acting in his present position. The matter to which my hon. friend has referred is obviously one of municipal regulations, and Superintendent Gagnon has acted, no doubt, under instructions from the city.

PARLIAMENT HILL

QUESTION WITH RESPECT TO ICY CONDITION OF GROUNDS AND SIDEWALKS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the government a question in reference to the dangerous condition of the sidewalks and roads, and of the rink, in front of Parliament hill. Members have some privileges, and the men and women who use this building should be afforded some protection. We are not all good skaters, like those on the front benches opposite. We have a fifteen million dollar building, and there seems to be only a few dollars to spend on sand. I would ask what action will be taken by the government to remedy the present dangerous conditions. Anybody who gets injured will have no action for damages sustained on crown property. It is disgraceful.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I have no information to give to my hon. friend at the moment, but I shall look into the matter and give a reply to-morrow.

Mr. CHURCH: Why not distribute some skates and skis and toboggans?

Mr. RINFRET: I would suggest, Mr. Speaker, with your permission, that if the hon. gentleman would give notice of his questions in advance, he would stand a better chance of getting an immediate reply.

Mr. CHURCH: Everybody is not a Canadian hockey player.

VALIDITY OF DOMINION ACTS

REQUEST FOR SHORTHAND REPORT OF ARGUMENTS BEFORE PRIVY COUNCIL RESPECTING 1935 STATUTES

On the orders of the day:

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I would like to ask the Minister of Justice (Mr. Lapointe) if there is available in his department a shorthand report of the arguments before the privy council on the hearings of the several statutes passed in 1935, and if so, would it be convenient for him to lay that report on the table of the house? If that is not deemed expedient, perhaps he would make the report available to me and other members who care to read it.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Yes, I believe we have in the department a shorthand report of the argument on all those cases. I shall be pleased to arrange for my hon friend to see it.

VALIDITY OF QUEBEC STATUTE

QUESTION OF DISALLOWANCE OF "ACT RESPECTING COMMUNISTIC PROPAGANDA"

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): I desire to correct a statement which I made in the course of my remarks on Friday. The leader of the opposition (Mr. Bennett) asked me when would the year expire for possible action by the governor in council on a certain Quebec statute, and I said, "at the end of March." I had in mind that the statute was assented to at the end of March; but under the British North America Act the delay starts only from the reception by the secretary of state of an authentic copy of the provincial statute, and that was received on July 8.

Right Hon. R. B. BENNETT (Leader of the Opposition): Perhaps the minister will permit me to ask him a question arising out of that. I think he will find that it is a year from the date of the reception of the statute by the governor general, the words "governor general" being substituted for the king and a secretary of state. But the question I desire to ask is this. Would the minister

or the government be prepared to hear representations, either to the cabinet as a whole or to a committee of the cabinet, by way of argument as to why the legislation should be disallowed?—and the government at Quebec could probably be afforded an opportunity to present any arguments it might desire to make contrary to that contention. That has been done frequently with cases that were of great importance and highly controversial; the government usually has set up a committee presided over by the Minister of Justice, with the legal members of the cabinet, to hear argument for or against the disallowance of the legislation in question. I just ask the minister if he sees any reason why that should not be done in this case, but perhaps it is not fair to expect him to answer at the moment; he might desire to look into the precedents.

Mr. LAPOINTE (Quebec East): Yes.

Mr. BENNETT: He may treat this as notice for that purpose. I had intended speaking to him about it, but I heard that he was going to make a statement, so I did not do so.

Mr. LAPOINTE (Quebec East): As far as my own experience is concerned we have always declined to receive delegations.

Mr. BENNETT: Oh, not delegations.

Mr. LAPOINTE (Quebec East): These matters have been dealt with on written brief and representations sent to the Department of Justice. However, I shall be pleased to look into the matter.

Mr. BENNETT: As to the remark of the right hon. gentleman with respect to a delegation, that was not at all what I had in mind; it was a question of receiving arguments from counsel for or against disallowance, based upon the question of legality on the one hand and policy on the other. That was done to my knowledge in one case with which I am familiar, and, I think, in another as well, the committee which heard it being, if my memory serves me, the lawyers of the cabinet, presided over by the Minister of Justice.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, February 7, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

[Mr. Bennett].

Hon. C. D. HOWE (Minister of Transport): I rise to take part in this debate for the purpose of correcting various misstatements that have been made by a few hon. members in discussing radio broadcasting, and to answer unfounded statements that are being currently circulated inside and outside this house.

All hon. gentlemen are well aware that the Canadian Broadcasting Corporation is an autonomous body created by act of parliament. The corporation has full authority to plan and carry out policies within the scope of its act and within the funds which by the act are placed at its disposal. The Minister of Transport is designated by the act as the means of communication from the corporation to the government and to parliament. I think it is unfortunate in many ways that a member of the board of governors of the corporation cannot himself be the spokesman in parliament, but as this is impracticable, I assume it to be my duty to correct misstatements as they occur in this house.

It is a happy reflection on parliament that the subject of radio broadcasting has never been used for purposes of party advantage. There have been three committees of parliament on this subject, and the findings of all three were unanimous. Two bills affecting radio broadcasting have passed the house, in both cases unanimously. In the debate which instituted broadcasting as a public service, hon. members in all parts of the house took part, and all favoured the bill.

Perhaps I can summarize the purposes which promoted the founding of public control of broadcasting by reading short extracts from two or three of the speeches made on that occasion. The first is from the speech of the then prime minister, which summarized admirably the reasons why legislation for public ownership was adopted:

> No other scheme than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefits and pleasures of radio broadcasting. Private ownership must necessarily discriminate between densely and sparsely populated areas. This is not a correctable fault in private ownership; it is an inescapable and inherent demerit of that system. It does not seem right that in Canada the towns should be preferred to the countryside or prosperous communities to those less fortunate. In fact if no other course were possible, it might be fair to suggest that it should be the other way about. Happily, however, under this system, there is no need for discrimination; all may be served alike. Equality of service is assured by the plan which calls for a chain of high power stations throughout Canada.

The opposition spokesman was the present Minister of Justice (Mr. Lapointe), who said:

I just wish to endorse the views expressed by my right hon. friend the Prime Minister, to say that I am in full accord with the principle embodied in this bill. I have been supporting this principle from the first, more particularly after the work of the Aird commission, but I knew the difficulties in the way and the strength of the propaganda carried on to prevent the work of that commission from having the results which we have witnessed to-day.

I am pleased with the work which was done by the committee which has been studying this question, and I congratulate the members of that committee on the excellent work which they did. I congratulate the house upon having this bill introduced at the present session, and I congratulate the people of Canada on the principle which is represented in the bill.

The third party was spoken for by the hon. member for Winnipeg North Centre (Mr. Woodsworth) who said:

I should just like to associate myself with the last speaker (Mr. Lapointe) in congratulating the Prime Minister on his promptness in bringing down this bill to implement the report which has been unanimously adopted.

Perhaps I may take two or three moments to give a brief outline of the development of public broadcasting in Canada. At the time the Aird commission was appointed to study the matter, about fifty per cent of the broadcasting strength of Canada was represented by four privately owned stations, two in Toronto and two in Montreal. Each of these stations was attached to a United States broadcasting chain, and the programs broadcast over them were almost entirely of United States origin. Apart from these cities very few communities were served by radio. The Aird commission, composed of Sir John Aird as chairman, and Mr. Augustin Frigon and Mr. C. A. Bowman, made a thorough investigation of the whole situation. The commission took evidence in Canada and in the United States and travelled in Europe, and after much study brought down a comprehensive report. The recommendations of the commission were, briefly, that the control and operation of radio broadcasting in Canada be made a public utility, and that the government should establish its own high power broadcasting stations so that complete coverage of Canada would be obtained by this means.

The report was brought in too late for the then government to implement it, and it was not until 1932 that a parliamentary committee was set up to review the subject again. That parliamentary committee brought down a report which was the basis of the broadcasting act of 1932. In 1934 a second parliamentary committee studied the question and again brought in a report, suggesting revisions of the commission plan of management and a return to the basis recommended in the Aird report. However, no change was made at that time. In 1936 a third parliamentary committee studied the subject and brought in a unanimous report which was made the basis of the present broadcasting act. The act now in force was studied by that committee and recommended by it to this house after it had unanimously approved the draft bill.

The revenues of the corporation were provided, at first, by a licence fee of one dollar, which was in force for the period prior to the establishment of public broadcasting, and the proceeds of which were used for a very important service that is apt to be forgotten now—the elimination of interference with broadcasting. A considerable expenditure, some $300,000 I believe, is made each year on this service, and I can tell the house that without the abolition of interference with broadcasting there would be very little reception in any part of Canada to-day, even in the large cities. It is a most important work, and if the service were relaxed for two or three years broadcasting would rapidly become impossible.

The Aird report recommended that revenue to carry out the public ownership program should be provided, first from a licence fee of $3 per radio set, second, from advertising revenue to the amount of $700,000, together with a grant from the dominion government of $1,000,000 per annum. It was estimated, I believe, that the funds from these three sources would amount to about $3,500,000 per annum. As I stated, a radio fee of one dollar was put into effect in the initial period. When broadcasting was set up as a public service the fee was raised to two dollars and at that figure it has remained.

During the current fiscal year about 1,150,000 persons will pay licences of two dollars, and the sum realized, less the cost of collecting these licences, that will accrue to the broadcasting corporation from this source, will approximate closely $2,000,000. The corporation will earn this year about $350,000 from all commercial sources, and that is the highest level of commercial revenue that the corporation has received to date. It is not the desire or intention of the corporation at any time to obtain a revenue of over $500,000 from commercial sources for reasons that are obvious.

The mandate given to the broadcasting corporation set up by the last broadcasting act was detailed in the report of the committee on radio for 1936. It recommended (a) "that a public corporation, modelled more closely on the lines of a private corporation,

but with adequate powers to control, for purposes of coordination, all broadcasting, both public and private, be set up to replace the Canadian Radio Broadcasting Commission;" (b) "that this corporation be known as the Canadian Broadcasting Corporation, to be managed by a general manager as chief executive, and an assistant general manager, and directed as to policy by a non-partisan board of nine directors or governors, chosen in order to give representation to all parts of Canada;" and (c) "that the corporation immediately consider ways and means of extending national coverage."

It is that last mandate to which I wish to call attention. One of the first acts of the newly constituted broadcasting corporation was to make a coverage survey of Canada. That coverage survey disclosed that less than fifty per cent of the population of Canada had adequate coverage from existing sources. The corporation had certain funds at its disposal under the broadcasting act; it had also the privilege of borrowing from the dominion government the sum of $500,000 as a repayable loan. With that amount and with some $200,000 saved from current revenues, the corporation set about carrying out its mandate to establish high-power broadcasting stations. Two of these stations have been built, each of 50 kilowatt capacity, one near Montreal and one near Toronto. These stations were undertaken first because, through them, efficient coverage could be provided for a maximum number of listeners.

The corporation wishes to continue to carry out its mandate and establish adequate coverage by building two more stations and improving certain other properties where equipment is obsolete. With that in mind its governors have recommended to the government that the radio fee be now increased from $2 to $2.50, and that fees be collected for each radio set rather than from each owner of one or more radio sets. The main purpose, as I say, is to provide revenue sufficient to justify the expense of establishing two high-powered stations in sparsely settled areas of this dominion. In addition to the fifty cent increase in licence fee, another repayable loan of $500,000 will be required. In reviewing the work of the corporation and the results accomplished to date it seems to me that the request of the corporation is a reasonable one.

Also let me say that there is an urgency for the completion of coverage which it is well to draw to the attention of the house. In 1932 the distribution of wave lengths between the countries of North America was considered by an international conference. A division was made by which Canada received the use of six exclusive wave lengths; the United States received certain others, as did also other countries. In addition to these exclusive wave lengths Canada secured the partial use of other wave lengths, suitable for low-powered stations. Within a year or two broadcasters desiring to establish high-powered stations and not able to obtain wave lengths in the United States discovered that Mexico was not a party to this international agreement, and that the Canadian channels were not being used by high-powered stations, so these men simply moved over to Mexico and established high-power stations there using exclusive Canadian channels. The result has been that not one of the six channels allotted to us is free from interference from Mexican sources. The interference from Mexican sources conflicts seriously with the coverage of the Canadian stations using those channels.

As a result of this interference Canada has protested vigorously to the other countries which are parties to the convention. Preliminary conversations were held with our near neighbours at a conference at Havana some months ago, and about six or seven weeks ago a full conference of all American countries was held at Havana. At that time a new allocation of wave lengths was made. Instead of six clear channels Canada secured seven, and also secured a more favourable distribution of partly used channels. But this stipulation was made, and I think for a good reason, that unless Canada would proceed to establish on each of these exclusive wave lengths a radio station of at least 50,000 watts power the other countries would not guarantee that that wave length would remain exclusive to Canada. It was pointed out to our delegates at that conference that Canada was at fault if its exclusive wave lengths had been interfered with, because Canada had not made anything like adequate use of them. Therefore the matter is urgent because the Canadian Broadcasting Corporation is under compulsion to complete the establishment of its high-powered stations on the newly acquired wave lengths. The corporation has laid down the policy that if funds can be made available the high-powered stations necessary for complete coverage will be built within the next year. It has shown to me conclusively that the funds from the sources I have mentioned will be adequate to complete the work, and no one can see any reason to anticipate that funds from any source other than those mentioned will at any time be required to enable the corporation to carry out its functions in the years to come.

I wish at this time to discuss a matter which has been the subject of much mis-

representation both in the house and outside, the use of American programs. I shall tell you how the ninety-eight hours of operation per week of the network are divided. Let me say that a sustaining program means a program devoid of advertising—having no advertising of any kind, direct or indirect; a commercial program means a program which contains advertising in varying amounts. Of the ninety-eight hours broadcasting on the network, fifty-seven and one quarter hours are given up to Canadian programs free from advertising, three and one-quarter hours are occupied by commercial programs originating in Canada, and seventeen and one-half hours are devoted to American programs free from advertising. Programs originating in the British Isles, and free from advertising, account for twelve hours, a German program occupies half an hour, and advertising programs originating in the United States occupy eight and three-quarter hours. The total percentage occupied by non-advertising programs is 87·8. The present American commercial programs have for some years been distributed in Montreal, Toronto and Windsor.

Mr. LAWSON: Would the minister be good enough to identify the week of which he is giving an analysis?

Mr. HOWE: It is any week within the last five. I am speaking now of the chain.

There has been a good deal of misrepresentation about the distribution over station CBL, so perhaps I might give the distribution there. CBL is an individual station operated by the corporation, forming part of the chain of the corporation, but of course it operates for longer hours than the chain. The network operates twelve hours a day, and this station I suppose is on the air some eighteen or twenty hours a day, therefore it has more advertising programs than the chain. However, the total commercials on CBL (Toronto) represent thirty-five per cent of the total time of that station. American commercials represent eighteen per cent of the time, and Canadian commercials seventeen per cent.

In one of our great financial journals there was published a chart showing the American programs, and at the bottom of this chart there appeared the words "The flood of American advertising coming into Canada." It stated that forty-three per cent of the programs on CBL are American advertising programs.

Mr. DUNNING: Where is station CBL situated?

Mr. HOWE: At Toronto. The fact is that American commercial programs make up eighteen per cent of the time and American sustaining programs twenty-five per cent of the time of that station.

Now let me say something about these American programs. As you know, a sustaining program is one put on purely for entertainment purposes. It carries no advertising and mentions no sponsor, but is simply put on for the benefit of the listeners; and, as I say, some fifty-seven per cent of the programs over the Canadian chain are of this type, made in Canada. But may I say that each of the three commercial chains in the United States produce sustaining programs for their listeners. For example the National Broadcasting Company pays the Metropolitan Opera Company a very substantial sum for the privilege of broadcasting the Saturday afternoon performances of that company. The Columbia Broadcasting System pays the New York Philharmonic orchestra a very substantial sum in order to broadcast the performance of that orchestra for two hours on Sunday afternoons. Similarly the Mutual chain supplies certain sustaining programs to please its listeners.

The competition for quality in these sustaining programs is strenuous. A recent development has been that the National Broadcasting Company has retained the services of the great conductor Arturo Toscanini to form an orchestra of his own, to be composed of the best musicians obtainable in New York and that vicinity, to broadcast a series of ten concerts exclusively for the radio. I was told by the president of the National Broadcasting Company that his company is paying Toscanini and his artists $450,000 for organizing this orchestra and presenting these ten programs exclusively for radio broadcasting.

This type of programs makes up the seventeen hours of sustaining programs that we obtain from the United States. The Metropolitan Opera broadcast takes about three hours a week. The broadcast of the New York Philharmonic on Sunday afternoon takes about two hours. The Toscanini program on Saturday evening takes about one and one-half hours, and any musician will tell you that in the matter of perfection of technique the Toscanini program is the finest musical feature that can be heard anywhere on this continent and perhaps anywhere in the world.

These American sustaining programs are for the most part musical programs. Since when was music anything but international? When we listen to the Metropolitan Opera what artists do we hear? Are they American? Yes, a few of them are, but we hear also Italian, German, French and perhaps Brazilian

artists as well; we hear artists from every corner of the world. Is the music they play American music? No, it is probably German, Italian, French or Spanish music, with an occasional American composition. So I ask if bringing in the music of the Metropolitan Opera can be called flooding Canada with American propaganda. What nonsense!

We listen to the music of the New York Philharmonic. Who is the conductor of that orchestra? The regular conductor is John Barbirolli, who came to America from Leeds, England. Only a few Mondays ago as guest conductor of the Philadelphia Symphony I heard our own Sir Ernest MacMillan, and at other times we hear distinguished guest conductors from every part of the world. I ask if there is anything offensive to Canadian listeners in accepting that kind of program from the United States? I could go on and give other examples, but I do not think I need labour the point. However, I do say that the Canadian Broadcasting Corporation makes no apologies to the Canadian people for bringing them these seventeen hours of American sustaining programs.

One other point I think should be cleared up now. I noticed a question on the order paper asking how much Canada pays the United States for the programs brought into this country. That question of course will be answered in the usual way, but I can say now that Canada pays nothing at all in dollars and cents. No single dollar of ours goes to pay for a program brought in from the United States. But we are not accepting favours from the United States in taking those programs. We have an exchange arrangement with each of the great national chains, which they are just as glad to make as we are, under which those United States chains take our sustaining programs in exchange for their own. I checked up the hours of Canadian programs taken by the great United States chains, and I find they just about equal the hours we take from them. Last night we heard a peroration which concluded with the statement, "the United States speaks; Canada listens." That is true of certain hours. Of certain other hours it is equally true that Canada speaks and the United States listens. I am sorry that the hon. member for Hamilton West (Mr. Marsh) spoiled a very fine maiden speech by ending with such a phony peroration.

Now I come to the commercial programs. As I say, we take eight and three-quarter hours of commercial programs from the United States over our national chain, broadcasting from coast to coast. For broadcasting these programs we receive a gross payment of about $200,000, of which we pay about $80,000 to the stations that make up our chain as payment for the time used, and we net about $120,000 to the broadcasting corporation. The programs we take are chosen for their entertainment value, and I may add that we have been offered and have refused additional commercial programs for chain broadcasting which would have netted our corporation an additional amount of over $250,000. We refused them for the reason that they did not have the class of material that we cared to carry on our Canadian network.

The programs we do broadcast are the most popular programs broadcast in the United States as commercial features. The Charlie McCarthy program, to which reference has been made in this house, is considered the number one program over any American chain. Checks are made of the listeners to individual programs, and it has been shown that the average audience listening to that program whenever it is broadcast exceeds 33,000,000 persons. The cost of building that program, which lasts for one hour each week, is more than the Canadian Broadcasting Corporation can spend on its fifty-seven hours of sustaining programs. In other words more money is spent in building up that one program than we can spend in building up fifty-seven hours of broadcasting. It has been suggested in the house that we should build up a program to put on as a sustaining feature at the time the Charlie McCarthy program goes on. Who would listen to it? We have been doing that for years. The listeners insist on Charlie McCarthy, as has been demonstrated by the listener check-ups that have been made. The material used in the Charlie McCarthy program is, I think, to most people, exceedingly amusing, and therefore we carry that feature on the chain. By doing so we save the cost of building a program which otherwise would have to be provided for that hour.

It has been said that in connection with the cost of carrying programs we are discriminating in favour of United States advertisers. That is absolutely untrue. Rates for chain broadcasting are on the card and apply to any Canadian advertiser who wishes to obtain chain broadcasting privileges, just as they apply to United States sponsors. The rates for chain broadcasting are slightly lower than those applying to the individual stations. However that is only the wholesale rate as against the retail rate. May I say that from the point of view of financial returns we prefer the chain broadcast to the broadcast from an individual station, because the chain

broadcast relieves us of the cost of building a sustaining program for the same period. The rates charged at each station are based on the coverage of that station, and rates in Canada generally, on the basis of coverage, are somewhat higher than those charged by stations in the United States.

For a moment let us look at the broadcasting situation from a common sense point of view. Anyone who has a family knows that, where radio is concerned, there is a wide variation in tastes. One man's radio meat is definitely another man's radio poison. For my own experience I draw on my own family. Occasionally all of us listen to the radio. I like almost any kind of music, provided it is played softly so as not to interrupt whatever else I may be doing. My wife prefers the operatic and symphonic concerts. My two boys, aged fifteen and twelve, go for the sports broadcasts; I refer to the broadcasts of hockey and football games and boxing matches. Those are the sports in which they take part and in listening to the play by play or blow by blow descriptions of the contests they get the same thrill as though they were participating. My two younger girls like the vaudeville. They would have been shocked had they heard the hon. member for Carleton (Mr. Hyndman) refer to Bill Penner; they would have corrected him instantly, and he would have been told that it was Joe Penner. My older girl of fourteen years has graduated from the class which like vaudeville. She has moved in with her mother, and likes the better class of musical programs. For that I believe I owe a debt to the Canadian Broadcasting Corporation, which makes it possible for us to have the variety of cultural and first class musical programs which come in over Canadian broadcasting stations.

Mr. ROWE (Dufferin-Simcoe): It will cost you $2.50, though, for each different taste.

Mr. HOWE: To work out our family situation I may say that it is necessary to have three radios in our house; otherwise there would be a conflict of interest. However, I will pay those three licence fees cheerfully, and I feel anyone else who wishes to avoid conflict at home might do likewise. I have always regarded the system which charged a two-dollar licence fee on a cheap crystal set, parts for which can be bought for fifty cents, and charged a similar fee for a householder owning four radio sets in his house, and one in his car, as one which discriminated in favour of people of ample means as against those of only limited means. I believe hon. members will agree with me that there would be greater justice in taxing the sets, rather than the houses in which the sets are contained.

The present attacks on the principle of public ownership are being made not because the Canadian Broadcasting Corporation is a failure but because it is a success. The listening audience in Canada are turning their dials to programs of the corporation. I believe the reason is apparent, and can be readily demonstrated by any hon. member who wishes to try the experiment. If one were to leave his dial turned to a corporation station for the full twelve hour period of broadcast he would find a better average program than he would find if he turned on any other station for a similar continuous period. On that corporation station one finds the programs of ever increasing excellence built in Canada by the corporation. One finds, too, the best programs of the British Broadcasting Corporation, which, broadcast in the evening in England, are received here in the afternoon. We find the best of American sustaining programs, built in the United States, and such few United States commercial programs as have the highest entertainment value.

Naturally when the listening public turns to the publicly owned stations, the privately owned stations fight back. That is what is happening to-day. The fact that the chains are carrying a few of the outstanding advertising programs has caused certain newspapers and periodicals to fear the loss of national advertising revenue. Some of those papers are voicing severe criticism on their editorial pages. It is striking, however, to find that even where severe criticism of the policy is written on the editorial page, the radio page, either full or half size, carries a description of radio programs, and almost invariably those descriptions feature United States commercial broadcasts. So much for consistency in our press.

However, radio in Canada will not be judged by speeches made in parliament, nor will it be judged by the editorials written in our newspapers. It will be judged by the programs that come daily into our homes from the publicly owned stations. Of the verdict, I think, the Canadian Broadcasting Corporation need have no fear. In advocating the carrying out of the recommendations of that corporation in the direction of the additional revenues they require to complete the plan of nationalization of radio started in 1928, I have every confidence the people of Canada will approve the recommendations I am making to the government of which I have the honour to be a member.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, I have listened very attentively to the speech just delivered by the Minister of Transport (Mr. Howe), and in my opinion it was timely and effective. The most amazing

thing to me in the whole controversy with respect to the fifty cent increase in radio licences is the fact that when the public are receiving something in return for a fee, and they are asked to pay an increase of twenty-five per cent, there is a great howl from certain quarters, but when, on the other hand, the government levies an indirect tax which takes many dollars each year from the pockets of individuals, we never hear a murmur. This shows the difference in effect between direct and indirect taxation.

I wonder whether those who to-day are criticizing the activities of the Canadian Broadcasting Corporation are entirely disinterested in their criticism. I had no intention of speaking on this question, but I do appreciate the great improvement that has taken place in the programs and service which have been given to the Canadian public since the present corporation took over the management of our radio broadcasting. A few weeks ago I had the opportunity of hearing, over the service provided by the Canadian Broadcasting Corporation, the inaugural speech, known as the message on the state of the nation, delivered by President Roosevelt at the opening of congress. I listened to it most attentively, and had the service not been provided by the corporation I might have missed that splendid opportunity. As I listened to the President of the United States speak to congress on the state of the nation, just prior to the opening of our parliament here, I wondered whether our own government or our own Prime Minister would deliver as definite or as conclusive a speech on the occasion of the opening of our parliament.

I am sure, Mr. Speaker, that if I do not refer at greater length to the remarks of the minister (Mr. Howe) he will forgive me, because I did not know that I was to follow him in this debate.

When I read the speech from the throne, which was delivered in the other chamber, the thing that struck me most was its barrenness, its nebulous character, its lack of definiteness as to what was in the mind of the government regarding what they were going to do for the people of this dominion.

In the main, Mr. Speaker, the speech from the throne contains references to commissions that have been appointed by the government, to the trade agreements which the government have in contemplation, and to the expansion of our foreign trade. In fact our government takes the stand that in the conclusion of trade treaties and the expansion of our trade with foreign nations lies the solution of our problems. I am sorry, Mr. Speaker, that I cannot agree. Members who have been in the house as long as I have will know that at all times I have supported any government that has reduced the tariff. I have always supported the Liberal party in its reduction of tariffs just as I have always opposed the Conservative party in its tariff increases, but I have always taken the stand that moving the tariff up a little or down a little will not provide a solution for our national problems. To-day the bankers of the world are shouting from the roof-tops that the trade of the world should be liberated, that tariffs should be reduced, and I have been wondering since when have the bankers of the world or of this nation become the champions of the ordinary farmer and working man. We should indeed be in strange company if we were found in the ranks of the bankers agreeing with them that a policy of lower tariffs would solve our economic problems. If I thought that that was the solution, Mr. Speaker, I would hold up both my hands immediately for such a reduction and so end all our troubles; but even in low tariff countries to-day, just as in high tariff countries, they have exactly the same problems to face as those by which we are confronted in the Dominion of Canada.

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend, but he is repeating what many on the other side have already said, and which is not correct. He is saying that the government takes the position that by furthering international trade it is doing the only thing that it considers necessary to solve existing problems. The speech from the throne is quite specific as to the government's view on international trade. It states that:

> The government is convinced that, in seeking to cooperate with the United Kingdom and other countries in efforts to promote international trade, it is pursuing one of the most effective means of ensuring economic security and progress in Canada, and the betterment of conditions in other parts of the world.

One of the most effective means—that is the position of the government. It is not that the government holds that international trade is the solution of all ills, but that it is one of the most effective means of ensuring security and prosperity.

Mr. HEAPS: I am very glad to have that statement from the Prime Minister, but I have spoken for only two or three minutes, and probably if I had gone on a little longer I should have dealt with some of the other statements made in the speech from the throne, as I intend doing before my time expires. I am glad the Prime Minister takes the position that in international trade is not

to be found a complete solution of our national problems. We must bear in mind, Mr. Speaker, that every nation to-day is anxious to find export markets. In that we are not alone. In fact, since production became simplified and the nations learned to produce with an ease that we did not know fifty or a hundred years ago, practically all nations have had exportable surpluses, and it is because of these exportable surpluses that competition among the nations for foreign markets is becoming keener and keener, while at the same time there is a lessened demand from the nations of the world for the importation of commodities as compared with the demand that existed twenty-five or fifty or seventy-five years ago.

I maintain that it is not necessary for us to look first of all to foreign markets. The first thing for any government to do is to satisfy the home demand. Can anyone give me a logical reason why we in Canada cannot consume the goods we produce here in such abundance, or why we must not consume them until Japan, China, Germany, Italy and other countries have first been supplied from our production? The people who have first claim on the productive capacity of the dominion are the Canadian people themselves. When we find ourselves with a surplus of commodities, then let us by all means find export markets to take our surplus. But no government has ever yet attempted adequately or even reasonably to satisfy the demands of the Canadian people. Have the demands of the Canadian people been legitimately met? Certainly not. In this country hundreds of thousands of people, some of them out of work, some of them working part time or full time, are living on the borderline of poverty, and until we have satisfied their legitimate demands their needs should receive first consideration, and foreign countries second. I remember in my school days reading in a history of India the story of the people of India famishing while India was exporting her wheat. We here are doing very much the same thing; we are exporting so-called surplus commodities while hundreds of thousands of Canadian people are in dire want.

The government might claim that as a result of the trade agreements they have made with the nations of the world our trade has increased, but I will not subscribe to that assumption because in all parts of the world trade has increased, and although the tariffs of this country have decreased by only a comparatively small amount during the past two or three years, our imports have jumped up. If tariffs are a hindrance to international trade I would like to ask this question of economists, who may be able to answer it in a simple way: Why is it that in spite of high tariffs, quotas and other trade restrictions in all parts of the world, there has been this great jump in international trade in the past two or three years? It is quite obvious that this has happened not because of important tariff reductions, but because there has been an effective demand in certain countries for a certain class of commodities, and the nations of the world have been trying to satisfy that demand.

Mr. MACKENZIE KING: There would have been a bigger jump had it not been for these restrictions.

Mr. HEAPS: That is merely an assumption. We can take one view or the other; we cannot be sure. If we were, of course we could deal with this question in a more definite way than we are doing. All I say is that in spite of high tariffs the world over, there has been a considerable increase in international trade during the past three or four years. From the standpoint indicated by the interruption of the Prime Minister (Mr. Mackenzie King), if an economist to-day attempts to deal with the cycles of trade during the past few years, say from 1929 to 1938, how will he chart them? He will begin the cycle in 1929, when we had the peak of trade, and continue down to 1932, and then he will take the upward period from 1932 to 1937. So far as Canada is concerned we find that those years cut right across the political complexions of the governments in office during that time, indicating quite obviously, I think, to almost everyone that the tariff structure of the country had very little significance with respect to the flow of trade so far as Canada is concerned. Our curve upwards commenced in 1932 and continued until the end of 1937; that is, the upward trend prevailed in 1933, 1934, 1935, 1936 and 1937. During that period we were under a Conservative government about the same length of time as we were under a Liberal government. Consequently I say that our tariff structure is not the fundamental factor in trade that we thought it was many years before.

It seems to me that there are features of our trade relations which are akin to the situation of the two families who used to take in each other's washing in order to try to keep themselves busy. If we thought a little less of trade treaties, many of which are entirely ineffective, and attempted to create a higher standard of living based upon the production of which we are capable in this dominion, our energies would be turned to much better advantage than they have been

in the past. Although I favour treaties and would be glad to support those which have for their purpose the lowering of tariffs, I will not regard them as a panacea for the ills and ailments of the present time.

When my right hon. friend opposite and other Liberals tell me that they are the party that is in favour of freer trade, of unrestrained trade, I am afraid I cannot accept that statement as entirely in accordance with the facts. For the last two years or so that they have been in office our tariff structure has been changed very little from what it was prior to that time. The Prime Minister, when he was sitting here as leader of the opposition at the time the empire trade agreements of 1932 were under discussion, stated that when his party came into power one of the things he would do would be to cut these tariffs in half. I think my memory is correct on that point. Well, at the rate we have been going these past two years I wonder how old the Prime Minister will be before the tariffs are cut to half what they were when the agreement was adopted in 1932. We have practically as many restrictions now as we had five years ago. The tariff has been reduced very little. We still have—

Mr. MACKENZIE KING: May I interrupt my hon. friend a moment? He quoted me as saying that I would cut the tariffs in half.

Mr. BENNETT: No, a fifty per cent cut in the British preference.

Mr. BRADETTE: He said "in half."

Mr. HEAPS: I said, the tariffs as enumerated in the empire agreements of 1932.

Mr. MACKENZIE KING: The expression my hon. friend used was that I said that I would cut the tariffs in half.

Mr. BRADETTE: That is what he said.

Mr. MACKENZIE KING: That is not my way of speaking.

Mr. BENNETT: Not the general tariff.

Mr. HEAPS: I am speaking specifically of the empire trade agreements of 1932. If I am wrong I will certainly withdraw the statement.

Mr. MACKENZIE KING: I am sure that never in my life have I used in tariff matters the expression of cutting anything in half.

Mr. HEAPS: Would the Prime Minister say that he promised to reduce the tariff by fifty per cent?

[Mr. Heaps.]

Mr. MACKENZIE KING: No, I do not believe I said that. But if my hon. friend can show me my statement, from an authoritative source—

Mr. HEAPS: I have not the statement before me, but in view of the interruption of the Prime Minister I will say this, that I still have to learn what is the difference between fifty per cent and cutting in half.

Miss MACPHAIL: The "half" is easier to remember.

Mr. HEAPS: To show that the Liberal party are not as earnest in their desire to reduce the protection that we have at the present time I will read a little circular that was brought to my attention. It deals with the textile industry. It was sent out by the Department of National Revenue, dated "Ottawa, 3rd December, 1937," and is numbered "Miscellaneous No. 14." It is as follows:

> Upon checking the values of some recent importations of cotton yarns and cotton fabrics from the United States, it has been ascertained that the home market selling prices are less than the actual cost of production plus a reasonable advance for selling cost and profit, and it is therefore clear that in such cases the provisions of section 36 of the Customs Act have not been observed.
>
> You are therefore instructed to accept entries of such goods imported from the United States at invoice values, only with an undertaking in writing from the importer or his agent to amend the entry if called on to do so should this be found warranted upon examination of the documents here in the department.

Many manufacturers engaged in our secondary industries have complained bitterly to me about the action of the Department of National Revenue in preventing them from purchasing textile goods in the United States at the same prices as those at which United States manufacturers can purchase them. Indeed it seems to me that there are some officials of the department who sit up nights trying to find ways and means of giving protection to the textile industries of this country. But what I want to point out is that these dumping duties, which were inveighed against by my hon. friends of the Liberal party, are being enforced by the Department of National Revenue just as vigorously to-day as ever they were in the past.

As I have heard some hon. member speak in different parts of the chamber I have wondered what the policy of the Liberal party is. Yesterday I listened to the speech of the hon. member for Winnipeg South (Mr. Mutch). He was anxious that the government should do something; he felt very much disappointed because the government had not taken some

definite line of action regarding the problems which confront us. Also I heard the hon. member for Huron North (Mr. Deachman) urge the government to be true to the ideals of its past, or to the ideals of Liberalism. You have on the one hand a man who is an absolute free trader. You have other Liberal members from the west who also are anxious that the government do something towards reducing tariffs—a policy in which the farmers place so much faith. The fact is that if one looks carefully at the very large following of the Liberal party in this house one must be driven to the conclusion that there is in that party, as indeed there is in other parties in the house, no true alignment of political thought or expression.

Mr. DUNNING: There is a little bit of that among yourselves.

Mr. HEAPS: I am free to admit that; I said other parties as well. There is no true alignment of political thought in the country.

An hon. MEMBER: Why should there be?

Mr. HEAPS: Well, I was always under the impression that the only thing that should hold a party together was a common allegiance to a common purpose, in following an ideal; and where there is no such allegiance and no common purpose a group or party cannot be held together. So far the Liberal party has held together pretty well; I am free to admit that in the by-elections the people in certain parts of Canada have given them a majority of their votes. But a majority of votes in the country or a majority of members in this house means nothing in itself. The question is, for what purpose is the majority being used? For what purpose is the majority of the Liberal party in this house being used at the present time? In my humble opinion, the party cannot have a purpose, and cannot give permanent expression to an opinion, because there are too many opinions in the party. On the one hand we find some members declaring themselves in favour of retaining the padlock law in the province of Quebec, and on the other hand there are those who are opposed to this.

An hon. MEMBER: That is why it is a Liberal party.

Mr. HEAPS: If that is Liberalism, then I say it is absolutely bankrupt.

Mr. MacNICOL: And has been bankrupt for a long time.

Mr. HEAPS: If it is Liberalism to be in favour of having the police and other officials going into the homes of men and women and confiscating literature that can be found in any library in the country, police breaking into homes and threatening people with arrest, then I say that that is a strange sort of Liberalism. Is this Liberalism in 1938? Is this what the Liberal party is doing?

Mr. DUNNING: No Liberal government is doing any such thing.

Mr. HEAPS: We have a Liberal government that could have disallowed that legislation if it had wanted to; a Liberal government has allowed it to remain on the statute books of the country.

Mr. DUNNING: It is not on the statute books of this country.

Mr. HEAPS: It is on the statute books of the province of Quebec, and I have an idea that the province of Quebec is still a part of the dominion.

Mr. DUNNING: Only a part.

Mr. HEAPS: It is just as much a part of the dominion as Alberta is, no more and no less; and if the power of disallowance can be exercised in one part of the country it can be exercised in another to safeguard the liberties of the people. But it is because there exist these contradictions within the ranks of the Liberal party that there is no definite policy on their part. I suggest that one of the main functions of a party in power is to hold its members together, to prevent the party from falling to pieces. But if the Liberal party took a definite stand on the tariff, for instance, what would happen? You would find those in favour of a low tariff fighting those who want a high tariff; you would find those who are in favour of the Quebec padlock law in conflict with those who are opposed to it. There are these teeming contradictions within the ranks of the party, and it takes an extremely careful and clever leader to hold all these divergent elements together.

Miss MACPHAIL: He is so busy doing that, he cannot do anything else.

Mr. DUNNING: What do you do with the fellows that disagree in your party?

Mr. HEAPS: We have differences in our party, but those who have differences have the good sense to get up and say so. In the ranks of the Liberal party, however, there is always something dangling in front of members to keep them in the fold. Sometimes it is a judgeship, sometimes a senatorship, or sometimes perhaps a secretaryship such as was foreshadowed in the speech from the throne a few years ago—something not yet carried out. I presume that at the time there

were so many applications for these secretaryships that the government adopted the usual Liberal policy of doing nothing about it.

An hon. member has just pointed out to me a passage in Hansard of October 17, 1932, in connection with the Ottawa conference. At page 264 the present Prime Minister (Mr. Mackenzie King) made this statement:

> May I go a step further and say in connection with that, so that there can be no mistake as to where we stand in the matter of British trade, and the British preference, that we would undertake to give to the trade of the United Kingdom, where goods are imported through Canadian ports, a British preference averaging fifty per cent of our general tariff. If there is anything in this particular agreement that is comparable to that of advantage to ourselves and to British peoples in trade, I hope we will find it out before this discussion is over.

What is mentioned here is a British preference averaging fifty per cent of our general tariff. Is that not one-half of the general tariff? The Prime Minister did not recollect having made that statement.

Mr. MACKENZIE KING: That statement is all right.

Mr. HEAPS: I should like to know what difference there is between a fifty per cent reduction and cutting something in half.

Mr. DUNNING: As a matter of fact that promise has been pretty well carried out.

Mr. HEAPS: Here we are in the third session of this parliament and the people are still looking to the government to do something definite to ensure security, and freedom from the feeling of uncertainty that is to be found in practically all parts of Canada. It is true that in certain industries there is much greater production than a few years ago; we are free to admit that. But can anyone in this house tell us how much of that increased productivity is due to war preparations that are taking place in practically all parts of the world? We have never yet been told that. All we have been told is that there is an increase in production and in employment. Certain steel mills in this country are producing steel rails to send to South Africa. Why is it possible that we in Canada can produce steel rails and send them there in competition with Great Britain, Germany, Belgium and other countries which for many years have specialized in that class of material? The answer is obvious; those countries to-day are so busy in the production of munitions of war that they have not time or facilities available to execute orders for South Africa, with the result that the orders are coming to this country and providing work here. But who knows how long this state of things is going to last?

In the speech from the throne we are told that—

> The government is convinced that in seeking to cooperate with the United Kingdom and other countries in efforts to promote international trade it is pursuing one of the most effective means of ensuring economic security and progress in Canada, and the betterment of conditions in other parts of the world.

Are we really doing what this sentence states? I doubt it. Does anyone here mean to say that we are promoting more friendly relations with the people of China when we send to Japan munitions with which to slaughter the Chinese people? Is that something of which we can be proud? We have heard in times past about our neutrality in respect to Spain, but when it comes to Japan and China we are free to break that neutrality and with materials that we produce here help to slaughter innocent women and children in China. Is that promoting better international relations? Are we promoting better international relations when indirectly the rebel forces in Spain can procure through intermediate sources munitions of war partly made in this country? Do hon. members think that the government of Spain will have a kindlier and more friendly feeling towards us on that account?

Mr. BRADETTE: What about the intervention of the Russian government?

Mr. HEAPS: My hon. friend who is interrupting can make his own speech.

When we are told that by sending goods abroad we are promoting goodwill between the different peoples of the world, I question whether that is an accepted fact. Once having taken a neutral position in regard to the Spanish situation I would think it preferable that we take exactly the same position in regard to the Sino-Japanese situation. It is just as logical in the one case as the other. There is nothing to be said in defence of our action except that those who produce munitions of war will profit by the action of this government in allowing munitions to be shipped from Canada to Japan. And when attention is invited to the condition of so-called prosperity I am inclined to look more closely to find out what it really means. It is true that there are more men at work at the present time, thanks to the preparations for war going on in various parts of the world. But suppose before very long the nations which are preparing for war catch up in the

armament race, what is going to happen to the tens of thousands of workers in this country who to-day are working on preparations for war? In a year or so from now Great Britain will perhaps have caught up in the armament race; the money she is spending in Great Britain and which indirectly finds its way to this country will cease to flow here, and we shall be faced with a slump probably as great as if not greater than that which we experienced in 1929-30.

Mr. McLEAN (Melfort): It is not always safe to prophesy.

Mr. HEAPS: There was a time when my hon. friends opposite were not so anxious to interrupt what I had to say, when I would get more applause from them than I am receiving to-day. But I can tell them that I am just as honest in my convictions to-day as I was twelve years ago.

Mr. DUNNING: Hear, hear. That is better.

Mr. HEAPS: This parliament has a grave responsibility. It can sit idly by and, Micawber-like, hope for something to turn up. But I claim it must deal definitely and effectively with the problems that confront us. We must realize the changed world and changed conditions in which we live. Recent years have completely revolutionized the social and economic structure. We cannot deal with present day problems on the basis of ideas that may have served in the nineteenth century. There is no stronger aid to fascism and all that it stands for than to create the impression that parliament is either unable or unwilling to deal effectively with present day economic conditions. I know the great and powerful forces of an economic nature that often stand between a government and needed reforms, but if parliament is all-powerful, as it should be and could be, then such forces as stand in the way of needed economic changes must be swept aside, and the will of parliament and the people must prevail.

In my opinion the masses of this country, in spite of the results of by-elections, still feel that the government of the day is not coming to grips with the real problems that confront us, the paramount one of course being that of economic security. The search for mythical markets abroad may sound alluring to some, but that is not an effective means of remedying conditions at home. There is no reason why in order to distribute amongst our own people the goods produced in Canada we should depend on foreign countries. Must we tell our people that before we can consume the goods that we produce here we must first find export markets? I think we all realize that our distributive system is out of harmony with the times in which we live. It is not a case of tariff adjustment one way or the other, it is a definite clear case of giving to the Canadian people the fruits of their own enterprise and energy so that they may enjoy the products of their labours.

The time has arrived when hon. members must shed their party labels and think more of their constituents than of the party whips. I can think of no time when the responsibilities of members of parliament were greater than they are to-day. Throughout the world far-reaching changes are taking place. In all parts we see social and economic upheavals; even in Canada we cannot escape their effects. Under these circumstances it is the bounden duty of parliament so to shape the destiny of this dominion that our people will have grounds for hope that parliament is earnestly dealing with the pressing problems of the day. I am afraid that there is no such impression at present. We are not dealing effectively with the problems of poverty or insecurity. If to-day I ask the house to give some real lead in regard to these social problems it is only something that I have been doing for the past twelve years.

So little encouragement, I regret to say, is afforded in the speech from the throne, that I cannot vote in favour of the address. But it is my earnest hope that the government will yet give the nation a lead, that instead of continuing to be one of the backward nations of the empire in matters of social progress we shall take our rightful place at the head of those countries which are leading the way towards a more just and better social era.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, this would seem to be an appropriate occasion for me to give expression to a few thoughts I have held for some time, and in doing so I want to follow the good example of toleration and moderation that has characterized this debate thus far. It has been quite a contrast with the debate following the election of 1925, much, I think, to the credit of the present debate. It also has been worthy of note how much of our time during this debate has been spent in discussing fiscal matters, which naturally would be expected to follow the budget. Experience has proved, however, that if you want any changes of a major nature made in the budget you must have them made in advance of the budget speech, because seldom are any but minor

changes made after the budget is brought down. Another reason, perhaps, why we have taken so much time in discussing fiscal matters is that we are all concerned with home budgets; hence we are talking about them here in a national way.

The thoughts I have had in mind are expressed to some extent in a statement that has been prepared by the appropriate department showing the fluctuations in our tariffs during the past sixty years. Do not take alarm; I am not going to dwell on each of the sixty years, but I would like to point out the little progress we have made in either direction, up or down—and especially down—during those years. I am going to mention a number of elections which were fought primarily on tariff matters, and when we consider these figures, which I obtained from an accurate source, those of us who believe in low tariffs must ask ourselves if we have been taking the best possible way to get the greatest results.

In the year of confederation the general tariff on major commodities in which farmers are interested was 15 per cent, and a large number of items are given in the statement I have before me. That situation continued until 1878, when Alexander Mackenzie's administration went out of office. Then and there followed the first battle of tariffs of which I am aware, between the government of Alexander Mackenzie and the party under the leadership of Sir John Macdonald. The former, heading a low tariff party, was defeated; the latter came into power with a high tariff policy which was brought into force in 1879, when tariffs were shot up pretty generally, almost as they were in 1930.

Later on, in 1891, the Liberals went to the country on a tariff policy of unrestricted reciprocity. Sir John A. Macdonald was still in the saddle. The Liberal policy practically meant a reversion to the old conditions of reciprocity which obtained between 1854 and 1866, but, as might have been expected, our opponents took advantage of the opportunity to alarm the people as to what unrestricted reciprocity would mean, although it had been in force for twelve years. They raised the cry of annexation. So thoroughly was that campaign carried on that I almost voted Tory myself, because I did not at all like the idea of annexation, and if unrestricted reciprocity meant that, then I did not want any of it. We are not so scared by these cries now as we were in those days, although the fact that Edward Blake resigned the leadership of the Liberal party at that time because he thought unrestricted reciprocity would lead in that direction, gave some colour to the cry raised by our opponents. Seeing that they are so prolific in the production of cries of that nature I am not so much surprised that they took advantage of that opportunity, and, as already stated, almost converted your humble servant to their way of thinking.

That was in 1891, and that was a terrific battle of tariffs. Then in 1894, when Sir George Foster was Minister of Finance, a considerable reduction was made. You will remember that period, I think; he was going to lop off, and did lop off, the mouldering branches of protection. Consequently there was a considerable reduction in that year, especially on farm implements. That did not save the government of that day from defeat. I have found that death-bed repentances on the part of governments, in connection with tariffs or anything else, do not amount to very much. They are not very effective. By the time that active repentance comes along the mind of the people is pretty well made up and you might as well save your last moment repentance, because you are going to get it in the neck anyway.

Following the election of 1896 there was a considerable reduction of tariffs, though the reductions were not so great as they would have been if Sir George Foster had not anticipated it and reduced tariffs himself, although without any beneficial results to his party. In 1897 again there were considerable reductions, though not nearly what we had hoped for. Anyway, we kept on living in hope, until finally in 1911 the great proposal for freer trade with the American republic was brought down in the form of what is known as the reciprocity agreement.

On that occasion again our friends of the Conservative party excelled themselves in propaganda as to the horrors that this would lead to, in the matter of annexation. I do not want to picture this too vividly; that seems to be their major cry in any campaign and especially with respect to tariffs and treating our neighbours more generously. The election of 1911 resulted in the defeat of the Liberal party. I must say, Mr. Speaker, that inasmuch as the Liberal party, with Sir Wilfrid Laurier at its head, sacrificed its political life on behalf of Canadian, and particularly western, agriculture, it always seemed to me most ungrateful that a third party should spring up at a later date, when Sir Wilfrid Laurier was still available for endorsation. Let me repeat that. The Liberal party went out of power in 1911 fighting on behalf of Canadian agriculture, particularly in the west.

Then in 1917 there was another general election. The less we say about that election the better. It was not on tariffs; it was on a lot of other things, the War-time Elections Act and such like. Then in the latter part of 1921 the first King administration came into power, and our policy was to reduce tariffs by "easy stages" of about two and a half per cent at a time. I think it was my hon. friend the Minister of Mines and Resources (Mr. Crerar) who coined that phrase when he wanted to allay the fears of the protectionists, when he was at the head of the Progressive party. I am afraid my own leader adopted it later on. Those easy stages, I think, are sound economically, but they are absolutely no good politically. You nip off a little bit here, a little bit there and a little bit somewhere else, but the aggregate is not nearly so apparent as when you take it and cut it in two. So I would in a friendly way warn the present Minister of Finance (Mr. Dunning) not to be too easy in his stages of tariff reductions. However in 1930, when the Dunning budget was brought down, in justice to my own party and my own leader I was proud—and am still proud—to say that we had the lowest tariff since confederation on implements of production. But the issues of high or low tariff do not seem to figure very much in a campaign in which the tide is either for or against you. For instance, the low tariff province of Saskatchewan split nearly even in 1930. Only eleven Liberals were elected out of twenty-one and the rest were either Conservatives or members of some other adverse group.

Then, in September of the same year, after the Liberals had been condemned for low tariffs by a province which should have known better, the people voted for a party which shot up the tariff, not by easy stages, but like a sky-rocket. All that happened despite the fact that tariff was not the predominant issue of the election of 1930. We will remember that butter figured far more conspicuously than the tariff did. Nevertheless the right hon. the leader of the Conservative party (Mr. Bennett) on that occasion lived up to his promises and, in a twinkling, gave us higher tariffs throughout Canada. I do not know whether that was the right way to do it, but it did not work out very well for his party.

Mr. ROWE (Dufferin-Simcoe): It worked well for the country.

Mr. MOTHERWELL: The people soon changed their minds. Hard times steadily grew harder, and by 1935 we did not hear any more talk about high tariffs; the leader of the Conservative party then wanted reciprocity with the United States. That was a remarkable conversion, in some respects almost greater than that of St. Paul. I do not think there was ever a more zealous campaign against any issue than that which was lodged by the present leader of the opposition throughout Canada against reciprocity in 1911. But, presto chango, we find him going down to Washington to try to consummate a treaty, with the words "no truck or trade with the Yankees" still echoing throughout the country.

That brings us up to the 1935 election. I think I shall have to confess that I was just as rabid in my determination to get lower tariffs for the west as were my opponents to get higher tariffs. Looking backward I do not think we went about it in the right way at all. How can we expect a minority in the west to overcome, overpower and overdominate the great industrial majority in the east? It is not democratic. At all events, it is not representative government and in my estimation it is not the right way to go about it. In the last sixty years, as the result of these periodical battles we entered into with such ardour, what have we got but a lot of turmoil and a lot of good time spent—worse than wasted—and a great deal of ill feeling engendered between the east and the west? In the end we got very little, anyway, that remained permanent.

I believe the Minister of Finance should face the fact that there are many items which still bear duties from twenty-five per cent to forty-five per cent, and in making up his budget I would ask him to give particular attention to them. No matter how much we in the west or others in low tariff provinces have the tariff reduced, it will still be higher than we want. In other words, no common tariff has yet been devised to suit all parts of Canada, and particularly to suit the western provinces. What are we going to do or say about it?

I wish to thank the Minister of Labour (Mr. Rogers) for using the words "compensatory adjustment" in his excellent address of yesterday. I believe they are better than the word "compensation," which I had intended to use, but they mean the same thing. We have been barking up the wrong tree in our proper efforts to get lower tariffs. Even if we get it right or nearly right, as we did in May, 1930, in the Dunning budget, the electors may take a notion that they want it up again. That is futile. I have too few years longer to live to spend them in that kind of everchanging thing. I want to try the principle of compensatory adjustment as suggested by the Minister of Labour.

Well, what does compensatory adjustment mean? Let us first consider my own word, compensation. When confederation was established the maritime provinces were a little leary about coming into it. They thought they were so small territorially and so small numerically, although giants in other respects, that their weight would not properly be felt in the parliament of Canada. For that, they were given a compensatory adjustment by way of larger representation in the senate. Because of the grievances they had advanced, I think there was some ground for that action. But what I want to bring out is this, that whether the principle was right or wrong, it was endorsed and applied.

Then later, when the new prairie provinces came into existence, inasmuch as we had no debt—that would be a fine thing to be able to say to-day—a special grant was given to us in lieu of debt, to put us on a basis of equality with the other provinces. As may be recalled, the original four provinces absorbed the provincial debts of those respective provinces. The western provinces coming in, and having no debt, were, as already indicated, given grants in lieu of debt. There is the principle of compensation, and it has been recognized ever since.

Later on the Conservative party of 1931, which I thought was at that time doing everything in the worst way possible, adopted the policy of compensation through the five cent bonus on wheat. I believe, at least, that the idea was that of compensation. By that compensatory provision they gave about $12,000,000 in bonuses to farmers who needed it least; I never knew how they compensated the poor fellows who had no crops. Those moneys were paid entirely on a bushelage rather than an acreage basis.

I believe however that I am wandering away from my point. It is that the principle of compensation has been recognized by all parties since confederation. It must be recognized in our homes and our respective occupations. Not a day passes but what some kind of compromise or compensation is made everywhere, from the state right down to the honest peasant in his home. There would be no such thing as living peaceably together unless there was a great measure of compromise and compensation.

I do not need to elaborate upon the soundness of the principle. One must wonder, however, how it will work out. As the Minister of Labour pointed out in his memorandum, what are we going to get in lieu of the high tariffs? Certain injustices are bound to arise in a high tariff policy imposed upon rural Canada. Do we wish to keep the provinces suffering in perpetuity those injustices in that condition, or are we going to respond to the disciplining effect of the times in which we are living, when the international situation seems bent on self-destruction, and when the whole world may be thrown into the vortex of war in the twinkling of an eye.

The dogs of war may be unleashed at a moment's notice. I do not wish to anticipate it, but we must remember that we ought to be in the best possible shape to meet the worst which may develop. We ought not to be caught unprepared. The way to be prepared is to look after our own home affairs; we ought to have them working as harmoniously as possible, and not go into war in the midst of national turmoil at home, as we did the last time in 1914. It is bad enough to go into it, and in all conscience I hope we may never have to, but let us anticipate possibilities. I am not making these statements because I happen to belong to the party in power; as a matter of fact, sometimes I would like to be in the opposition for just a few minutes. I am not pleading for conciliation or toleration because I fear that somebody will attack the government; not at all; but it is better for the state and for everybody that we should live as harmoniously as possible during these perilous times. This method of lowering and raising tariffs is sometimes called scientific, but it is nothing of the kind. It is based largely on the exigencies of the occasion. I say that we should not waste our energies in the manner I have described. What kind of compensation do I refer to? What are we to get in lieu of this high tariff that has been imposed on us during all these years? Before entering on that, may I condense into a few short sentences what I have tried to say in a somewhat rambling manner?

Every legitimate and reasonable effort should be made to reduce the customs tariff, particularly on the implements of production, consistent with revenue requirements. So long as the middle west's interests continue to be largely agricultural and its representation in parliament so relatively small, and the central east so largely industrial and its representation in parliament so relatively large, no common tariff can be devised that will satisfy both, if we are to preserve the principle of majority rule and representative government. On the other hand, neither should the majority impose upon the minority in Canada a high protective tariff that has been so burdensome to agriculture, particularly in the prairie west, as to cause constantly growing feelings of resentment against such transparent injustice. While our customs tariffs have varied in height from time to

time, depending upon which party was in power, no tariff has yet been devised that has proven satisfactory to the middle prairie west, nor is it likely to be in the immediate future unless some method of compensation for losses sustained by such minority already alluded to be adopted and put into equitable operation.

Now I will give the house what I have in mind, and I am giving only my own thoughts; I do not represent anybody except my constituents, and I am not sure that I represent them all the time, because when I talk about compensation, their idea may be to keep on fighting wildcats all the time. At my years I am just a little bit out of that class; but I intend to persevere, first, in getting the tariff down as low as possible by every reasonable and honourable means, and then let us make up for the deficiency by some form of compensation. I have two suggestions in that regard. First, we want, not a wheat board, but a grain board. We want one that is self-sustaining and non-hibernating, if you can guess what kind that is, and the implications involved. I use that word so that a lot of people will have to look up their dictionary. I repeat that the grain board should be self-sustaining and non-hibernating. This is not the appropriate time, I realize, to go into the grain marketing problem, because we have a competent and capable commission studying that question and the country is now anxiously awaiting its report. Pending its arrival I shall have to pass on, somewhat regretfully, to the other compensation that I have in mind.

Shortly after the west began to be settled in the early days—that is, exclusive of the old Selkirk settlement and the settlement around Portage la Prairie—the Hudson Bay railway became a live issue. Cruel people say that it always was used as an election football. Well, maybe it was. Those forty miles of rails that ran north of Winnipeg never got us anywhere, except that they were to somebody's advantage—I do not know whose. But it was a live issue all through the years since 1880. We were just like other countries similarly situated. There is a feeling in the breast of every nation that makes them seek the shortest route to the sea. That was the case long years ago, long before Solomon, whether it was by caravans over the desert or by the seven seas. There has always been that inherent instinct in the human breast to reach the seaboard by the shortest and safest possible route. That is what we were desirous of in the west, but it took us a long while to attain it, until at last Sir Wilfrid Laurier, coming back from a trip in the west, was again prepared to make the sacrifice largely for the west, because naturally there was not much love for it displayed in the east.

In the city of Hamilton in 1908 Sir Wilfrid Laurier pledged his party to the construction of the Hudson Bay railway. Then the matter hung fire for a while, but not long afterwards the bridge over The Pas was under construction when a change of government took place. Contracts were let to a point called Split Lake for the construction of the road, and then again we had a change of government at a critical time. But the new government carried on the construction of the road, and headed it for Port Nelson. I am not going to enter into the old story of how the present Minister of Finance (Mr. Dunning), then Minister of Railways, in a most expeditious way, as soon as he got the report of Sir Frederick Palmer, changed the terminus from Port Nelson to Fort Churchill. There you have a real port. I do not know for sure who it was that had blundered in choosing Port Nelson, but I know that the whole undertaking was pretty nearly ruined and would have been ruined if the road had run into Port Nelson. Well, we now have this port at Fort Churchill, and it is not doing very much. How could you expect it to do much at the beginning, when the insurance rate on the Hudson Bay route was eight times as much as on the St. Lawrence route? You could not expect traffic to seek the Hudson Bay outlet with such an enormous handicap in the matter of marine insurance.

And there was always something happening to injure the route. We know the story of the Bright Fan and its drunken shipmaster. That was all brought out in evidence. I do not know whether he ever got a certificate again for running a boat across the Atlantic, but he never should have received a certificate in the first place to shipmaster a boat through the, to him, strange waters of Hudson strait, where people's lives and property, and the reputation of the route were at stake.

But now we have the Hudson Bay railway; we have a good roadbed; we have a good port, and we have a good elevator. Of course, with our restricted crops, the traffic must be meagre for some time, but I was wondering if we could not get some kind of move on in anticipation of better crops. One of the difficulties with the Hudson Bay route, we are told, is the short open season, and that is one of the difficulties; but so far as good water is concerned and so far as safety is concerned, many shipmasters who have taken cargoes of wheat out of Fort Churchill declare that it is just as safe a route as any other in Canada with seasonal ports. I

am not a nautical authority at all, and I do not pretend to be ; but I know that good water, lots of depth and width, is absolutely necessary to successful navigation, and I know that Captain Bernier gave evidence before the grain commission in 1925 in the province of Quebec with respect to his experience on this route. I have not a copy of his evidence with me, but if anybody wants further information on the matter, any member of that grain commission, and particularly the chairman thereof, will be able to confirm everything I say regarding Captain Bernier's evidence.

He was master, or second master, of a ship when he was only seventeen years of age, and he traversed those northern waters almost continuously in the employ of the government until he was seventy-five years old. I had the privilege of meeting him here in the Chateau Laurier about four or five years ago, when we went all over this evidence that he gave, and he reported that he was more than ever firmly convinced that what I am going to mention would be the proper course to pursue. The present period is too short for the route to be open to provide it with a sufficient volume of business, and without volume hardly any business can be profitable. You cannot grow one acre or even twenty acres of wheat and equip yourself with machinery and make the operation pay. So it is with this new outlet; we must get the volume in order to do a reasonable proportion of the business which will be available when our crops come back, as they will do sooner or later.

Captain Bernier testified before the grain commission in 1925 in the province of Quebec, and took the ground that not only was this a possible route, a workable route, but that it had a great future, and that the proper port was Churchill. Not only that, but he observed that the greatest handicap would be the shortness of the season, and he advocated that the government provide the necessary boat equipment, strengthen and reinforce it, to take care of new ice conditions in those northern waters. As hon. members know, when the ice is forming in the fall of the year, Fort Churchill can be kept open two weeks later by the use of a boat that would not be called an ice-breaker but could open up the way during at least the formation of ice in the early fall and at the same time could be used for transporting grain. I am not an authority; I am quoting Captain Bernier, who said that a number of suitable reinforced boats which would stand considerable pressure of ice could be used for transporting wheat and at the same time for keeping that route open two weeks earlier in the spring and two weeks later in the fall. That makes a month and would give us a maximum period of four months' safe transportation over that route to the world's markets. This evidence was taken a long while ago—thirteen years—and I have scarcely heard of it since. I do not wish to magnify anything I have done, but I think I did contribute a little towards getting that route built to the right port.

Mr. DUNNING: Very much.

Mr. MOTHERWELL: Alone I certainly could not have done it. I do not know whether my good friend and old colleague wishes me to extol him for the masterly part he played in a crisis, but I can assure him the people of the west give him full credit for it. One way to compensate us would be to see whether somehow or another that period of safe navigation could be lengthened. As far as I know there has been no attempt to do this. We have suitable direction-finding stations established, and if these shores were lighted and appropriately equipped as those of the St. Lawrence, this would add considerably to the safety of the route. I admit freely that considerable progress has been made in the above direction, but now is the time to consider whether that route is built for ornamental purposes or for practical use. I think decidedly it could be made fit for practical use. I do not like to suggest any expenditures at this time, but the subject should be carefully studied. Look up and study Captain Bernier's report. If you cannot get it, consult the chairman of the commission before whom his evidence was taken. Possibly the report is in the archives of the university of Saskatchewan. Governments cannot keep all these volumes of evidence indefinitely, but we will try to find it.

I hope that our eastern friends, who naturally are interested in eastern ports, will consider the question we have been discussing. A member of the government has suggested that we have "compensating adjustments." Will hon. members adjust their views regarding this matter and permit us to have the natural, inherent instincts of the human breast gratified by reaching tidewater with our exports as quickly and as safely as possible. That is one of the long heart's desires of the west. Alberta is not much interested, if at all. British Columbia had not always the Panama canal; it had not always the Crowsnest pass rates extended to the Pacific. I think fellow Canadians from other parts of Canada can join with us and be tolerant of our little ambitions and nostrums—if you like to call them that. The Hudson Bay railway is a reality. We have now to see whether we can

make some practical use of it, and this is the way I respectfully suggest that it should be gone about.

I believe I have covered what I wanted to say at present; in any case my forty minutes are almost up. There are a number of other problems I should like to speak about, but they will be more properly said later in the session, after the various reports have been tabled.

Hon. J. EARL LAWSON (York South) It is not my purpose this afternoon to discuss fiscal policy, so I shall not attempt to follow the remarks of the hon. member for Melville (Mr. Motherwell) but rather devote my attention to those of the Minister of Transport (Mr. Howe).

When the Minister of Transport started his address this afternoon I came to the conclusion, after his first few sentences, that he was performing the painful duty of answering for the Canadian Broadcasting Corporation in the House of Commons; but before he finished he left no doubt in my mind that he as a responsible minister of the government was approving their actions and approving their recommendations that the licence fee should be increased from $2 to $2.50 per annum, and that each individual radio should be licensed. The minister pointed out that the two bills previously passed in the house in connection with radio broadcasting were passed by a unanimous vote. Lest the impression should have been left that those of us who did not vote against the measure therefore spontaneously approved it, I should point out that we who did not agree in all its details with that measure merely followed the unanimous recommendation of a committee of the house, which recommendation, for reasons that I shall state in a moment and that were then presented to the house, we did not see fit to oppose.

The minister said this afternoon that he was willing to pay for three radio licences at the increased rate. Possibly he and I can well afford to do so, but that does not lend any weight to the argument on this question. The vast majority of radios in this country are owned by people whose incomes are so meagre that it is a burden to pay $2, much less $2.50 for a radio licence.

I want to make it clear at the outset that the present Canadian Broadcasting Corporation is not the tribunal which was set up by the original radio act passed by the former government in 1932. That was all scrapped with the advent of the Liberal party in 1936.

An hon. MEMBER: In 1935.

Mr. LAWSON: The legislation was introduced in 1936. The advent of the Liberal party was in 1935, but so far as this house was concerned the government introduced its legislation in the session of 1936, and the present act is their responsibility. The present Canadian Broadcasting Corporation was set up by this government.

No law is any better than its administration, and where the administration of a law does not work for the benefit of the people of Canada, then, under our democratic system, the responsibility devolves upon the government of bringing in a measure to change that law. The hon. member for Winnipeg North (Mr. Heaps), who spoke this afternoon, expressed a view that, coming from him, was rather a surprise to me, to the effect that he had a suspicion that those who opposed the Canadian Broadcasting Corporation and its activities had some interest or ulterior motive. Let me say to him that I have no financial interest of any kind in any radio station, in any magazine, in any newspaper, in any interest that conflicts with the Canadian Broadcasting Corporation, nor in my professional practice have I any client who has such an interest.

The minister spoke of the committees which heard evidence on radio broadcasting prior to 1932. How well I remember the one that was not a parliamentary committee. Prior to 1932 a committee was set up, and represented upon it were the business element, the church element, the labour element, charitable and philanthropic societies, every phase of Canadian activity. That committee made a recommendation in favour of the nationalization of the radio. But why? With the object primarily of promoting Canadian unity. We in this house were told that the Americanization of this dominion by United States programs was the dominant factor behind the decision of the committee and of the parliament of that day to bring in a broadcasting act, and that another primary purpose was to develop in Canada all the varied resources of radio entertainment, in other words, that we might develop Canadian talent. We were to provide work for Canadian musicians, Canadian playwrights, Canadian actors, Canadian singers and Canadian technicians. Any members who were in the house at the time will remember that we were to limit advertising. We were told that it was this advertising which was so reprehensible to Canadian listeners, and all this boon we were to receive for the small sum of $1 per licence.

The radio commission was established in 1932 and struggled during its existence to improve Canadian programs, and I am not going

to suggest that that commission or the one which is now in existence has not made some improvement in Canadian programs. I remember that one of the early acts of the old radio commission was to limit advertising on the air to the maximum of five minutes to the hour. Well, we had the advent of this new Canadian Broadcasting Corporation in 1936. We were told that in accomplishing our purpose it was going to be far superior to the old commission. It was to have a board of governors, upon which there were to be astute business men, and it was to be representative of all phases of Canadian activity. A new era was to dawn. After two years it has dawned, and it has dawned with a huge increase in United States advertising.

I have spoken of the representations made in this parliament as to the Americanization of Canada through the penetration of United States advertising. The minister in his speech to-day repeated the figures given by the chairman of the broadcasting corporation when he delivered an address a while ago in which he told us about the number of hours—eight and three-quarters out of ninety-eight—that were given up to United States advertising. He said:

> Advertising programs originating in the United States occupied eight and three-quarter hours of the ninety-eight hours broadcast weekly over the CBC network.

I do not know whether that gentleman, and the minister this afternoon, intended to create the impression, by that statement which has gone abroad, that eight and three-quarter hours constituted the only United States programs we were receiving, because what he meant and what the minister meant was that out of ninety-eight hours the Canadian Broadcasting Corporation were being paid for only eight and three-quarter hours of United States programs. If you take the very schedule produced by the chairman you will find that the total United States programs, in whatever week he took, amounted to twenty-six and one-quarter hours out of ninety-eight hours of broadcasting. Bear in mind that I am speaking now of the penetration of Canada, of the Americanization of Canada by United States programs. I quite agree with the minister that music is international, and unfortunately, not being on the investigating committee, I have no means of access to the records of the Canadian Broadcasting Corporation. I have some familiarity only with the station in the neighbourhood from which I come. But hon. members will notice that when I asked the minister this afternoon as to the number of hours of United States broadcasting we have from CBL, the new 50,000 watt station near Toronto, which gives broadcasting coverage for the whole province of Ontario, I found that there was thirty-five per cent of commercial broadcasting, eighteen per cent of which is commercial United States broadcasting, which the minister explained meant paid advertising. I could not do anything with the figures he mentioned, because I do not know the week to which they relate.

The radio corporation sends out a bulletin issued in advance showing its programs for each week, and I took the trouble to have made, from the bulletin they turned out for this week, commencing with February 6, a chart which I now show to the members of the house. Every space marked in red on the chart is broadcasting in Canada by the Canadian Broadcasting Corporation of a program originating in the United States. What proportion of them is paid advertising I have no means of ascertaining without having access to the records of the Canadian Broadcasting Corporation.

The minister says that the total radio broadcasting by the Canadian Broadcasting Corporation is ninety-eight hours. That again may apply to chain broadcasting. I am referring to CBL. But bear in mind that when I refer to CBL I am dealing with one-third of the population of Canada—I shall prove that before I finish. According to the bulletin turned out by the broadcasting corporation, from which that chart is computed, of 112½ broadcasting hours during this very week, 48 hours are occupied by United States programs. Again I cannot say what proportion is United States paid advertising. Now percentages sometimes are deceptive. When the minister tells us that eighteen per cent of the time of CBL is taken up with United States advertising programs that does not give a correct picture, because we must bear in mind that the most advantageous hours of broadcasting are recognized to be from eight a.m. to eleven a.m. and six p.m. to eleven p.m., with the exception of Saturday night. Let me turn back to that same chart, so that the house may have a picture of the position from eight a.m. to eleven a.m. every day of this week, everything shown in red being United States programs. The result is that on Monday, Tuesday, Wednesday, Thursday, Friday, you have one hour of Canadian programs between eight a.m. and eleven a.m., and on Saturday only half an hour.

Mr. HOWE: May I ask a question?

Mr. LAWSON: Yes.

Mr HOWE: Are the hours between eight a.m. and eleven a.m. the advantageous hours spoken of?

Mr. LAWSON: So I am told by broadcasters.

Mr. HOWE: That is very interesting.

Mr. LAWSON: The largest audience is reached between eight a.m. and eleven a.m. except the audience reached between six p.m. and eleven p.m.

Mr. HOWE: I wish you were our salesman to sell that time.

Mr. LAWSON: Apparently the corporation is not having any difficulty in selling it, in view of the cut rates. I shall come to that before I finish. Now, referring to the hours between six p.m. and eleven p.m., the choicest hours of all with the exception of Saturday night, by observing that chart one will see that there are more United States programs than Canadian programs during those hours. With what result? With this result, that as the greatest number of listeners are reached between the hours I mentioned, the Canadian-sponsored broadcasts can be had only at the off hours, and the consequence of that is that the entertainers engaged for Canadian-sponsored programs receive small pay. In fact the Canadian Broadcasting Corporation pays singers and entertainers for broadcast programs $5, $7.50 and $10 per performance. Is that the encouragement we were told was to be given to Canadian talent in this country? The minister mentioned Sir Ernest MacMillan. Sir Ernest MacMillan heads one of the finest musical organizations in the country, the Toronto Symphony Orchestra, an orchestra which is maintained in large measure by public subscription, and which, in order to exist, has employed some of the finest musicians in this country at salaries so meagre that hon. members would find them incredible. Sir Ernest MacMillan was considered such a great Canadian musician and composer that he was knighted by His Majesty the King. May I ask why we have never had the Toronto Symphony Orchestra broadcast by the Canadian Broadcasting Corporation as a sustaining program? If Canadians are anxious to listen to Sir Ernest MacMillan leading the New York Philharmonic Orchestra, how much better it would be if Americans were listening to Sir Ernest MacMillan leading his own symphony orchestra in Canada. The hon. member for Winnipeg North (Mr. Heaps) spoke of the joy he had in hearing the opening of the United States congress. I sincerely hope he was able to hear it through to the end, because I was listening to a broadcast of His Excellency the Governor General of Canada addressing the Scottish curlers when they were here, and it was cut off in the middle in order to bring on the Packard Motor Car program from the United States.

Mr. HOWE: May I ask the hon. member to what station he was listening?

Mr. LAWSON: I am sorry I cannot tell.

Mr. HOWE: The hon. member was listening to a private station, for that could never happen on a Canadian Broadcasting Corporation station.

Mr. MACKENZIE KING: I was listening in and I heard every word of the governor general's speech from beginning to end.

Some hon. MEMBERS: So did I.

Mr. LAWSON: In that event the Prime Minister must have been listening to a different station.

Mr. HOWE: On a CBC station.

Mr. LAWSON: May I say to the Minister of Transport (Mr. Howe) that I understood the Canadian Broadcasting Corporation not only operates stations but controls all stations in Canada.

Mr. HOWE: The hon. member is entirely wrong.

Mr. LAWSON: Pardon me, I am entirely right, and I shall read the statute if I have time left before I sit down.

Mr. HOWE: Read it now.

Mr. LAWSON: I am not going to read it now because I have much more important things to say than reading a statute at this moment. This is the development of Canadian talent and Canadian ideals which we are getting from the Canadian Broadcasting Corporation; this is the policy for which we are asked to pay increased licence fees. To those who may be labouring under the belief that programs now being heard are of an essentially educational and inspirational nature, designed to create and inspire a clearer concept of Canadian ideals, one has but to listen to the programs broadcast from time to time. It may be that there are those who like blackface comedians and Charlie McCarthy and the Stroud twins; I listen to it myself. Like the Minister of Transport and the Board of Governors of the Canadian Broadcasting Corporation, those who wish can now get a twenty-inch high cardboard facsimile of the dummy Charlie McCarthy by buying four pounds of dated coffee and sending in the coupons.

Mr. ROSS (Moose Jaw): Made in Canada.

Mr. LAWSON: No, no coffee is made in Canada; it comes from Brazil. What happens is that Chase & Sanborn ship the beans in here and grind and package them in Montreal for Canadian consumption.

Mr. ROSS (Moose Jaw): Have you any objection?

Mr. LAWSON: I think we may well ask in all seriousness what educational programs, what rich incidents of Canadian historical drama, what cultural aspects of Canadian life, what encouragement to Canadian practitioners of the arts have found a place in the program planning of the great Canadian Broadcasting Corporation? Make no mistake, I am not objecting to the broadcasting as sustaining programs of Charlie McCarthy or United States programs of any kind. But I am objecting to the Canadian Broadcasting Corporation prostituting the purposes for which it was created by statute and charging the Canadian listeners increased licence fees for doing it, while our United States cousins can listen to it all and pay not a cent for it. That is the thing to which I am objecting.

Now I said I would come back to advertising. I said that formerly the Canadian radio commission placed a maximum limit on advertising of five minutes to the hour. The Canadian Broadcasting Corporation when it came into power immediately doubled the maximum, making it ten minutes to the hour. Then recently they brought in a new policy, which is to solicit and sell to United States advertisers broadcasting time over our air channels in competition with the private stations which I again say the corporation has power to control.

Now let me come back to the chart for a moment. I stated that I had no means of knowing what percentage of the total of the United States programs was paid advertising. I have to accept the statement made by the chairman of the broadcasting corporation in this speech, in which he tells us that the revenue of the corporation from this source for this fiscal year will be about $400,000, and they want to reach a total of $500,000. If they are to obtain $500,000 net, Mr. Speaker, by the time they pay commissions to advertising solicitors and the different commissions paid to the stations they will have to raise at least $750,000 gross. While I am talking about paying I should like to know who paid the broadcasting corporation for this national broadcast by the chairman of that corporation? If it was paid for with the money of the people, by the Canadian Broadcasting Corporation, I want to know if anyone who is opposed to the policy of that corporation, as now accepted by the minister, is going to be given an opportunity of presenting the other side of the case. If not I say to you, Mr. Speaker, that we will set up in this country a bureaucracy which ultimately will destroy this parliament if we put into the hands of any small group of men the power to broadcast their views with the cost paid by the people, raised in taxes, while they charge me $3,000 an hour for a coast to coast broadcast in order to give some picture of the other side of the question.

We are told by Mr. Brockington that he only wants advertising revenue up to $500,000 from this new scheme of selling advertising to the United States, and he says he only wants that until we are self-supporting from other sources. What are the other sources? The moment he ceases to take that advertising the only other source is the poor Canadian taxpayer who is going to have his radio licence fee increased not by fifty cents but by five dollars in order to raise the money required. Mr. Brockington says he only wants to sell this advertising until such time as he attains that happy position. That tempts me to repeat some comment I read in some paper, that it was exactly similar to a bank robber saying, "I only want two more hold-ups and then I will reform. I will have enough then with which to retire and live pleasantly for the rest of my days."

I say, Mr. Speaker, that the Canadian Broadcasting Corporation, by the solicitation of United States advertising, is causing a serious loss to many industries in this country. There is only a fixed appropriation for advertising in Canada. That appropriation must be divided between national magazines, local magazines, weekly press, daily press, signboards and the radio. To the extent that the Canadian Broadcasting Corporation participates in that advertising appropriation some other medium must lose. I believe private enterprise is willing to accept competition on an equal basis, but I say the Canadian Broadcasting Corporation is using the money of the people as a subsidy to enable it to undersell private enterprise.

Let me show why I say that. In order to broadcast you have to lease wire lines. A private station leasing wire lines has to anticipate the total number of hours it is going to broadcast in any one day. Obviously it cannot get sponsored programs for the whole of the day. Therefore it has to pay wire charges for hours from which it gets no revenue. Consequently in fixing its prices

for time on the air it has to take into account the hours during which it is using sustaining programs. The broadcasting corporation also has to lease wires for the number of hours it is going to use them during the day. But when it comes to fixing the price which it is going to charge the advertiser on a sponsored program for any hour, it does not have to make the rate as high as the private station, because the corporation says: Oh, the advertiser is paying the rate for that hour, and the money we raise from the people of Canada by taxation is paying for the other hours.

To-day the minister said there was a standard rate and that anybody could buy time on the air at that rate. I challenge that statement. I have in my hand a comparative schedule published by the Canadian Broadcasting Corporation for the costs of each station, beside which I have the standard rate which I am asked to pay if I go to a private station. Again I will take the station I know best. CBL in Toronto. The published rate of the Canadian Broadcasting Corporation for one-half hour over CBL is $180. The standard rate—

Mr. HOWE: Is the hon. gentleman reading the rate for CBL as part of the chain or individually?

Mr. LAWSON: I am reading it as part of the chain.

Mr. HOWE: Then may I point out that the hon. gentleman is comparing two things which cannot be compared. If he will read the tariff for station CBL as a single station he will have something comparable with a private station.

Mr. LAWSON: All right; I am only talking about the private station as a private station. I have no chain figures available. The rate for CBL, as published by the Canadian Broadcasting Corporation, for one-half hour is $180. The standard rate, based upon a private station cost plus five per cent, is $165. As I stand in the house at the moment making this speech there sits in the Chateau Laurier a man with a contract in his pocket for a half-hour over that station at $120 less ten per cent, less fifteen per cent. That is why I challenge the statement made by the minister this afternoon.

Mr. HOWE: May I ask if that last price was for a chain broadcast or an individual broadcast?

Mr. LAWSON: An individual broadcast.

Mr. HOWE: My hon. friend is very careless with his figures here. I hope he can substantiate them.

Mr. LAWSON: I seldom use figures I cannot substantiate. Give me a committee and the opportunity to substantiate them and I shall do so.

Mr. HOWE: If my hon. friend asks for it I shall give it to him now.

Mr. LAWSON: In connection with this sale of United States advertising the Canadian Broadcasting Corporation has established an attractive range of discounts, which pyramid as more stations are used, in order to attract that United States advertising. The Canadian stations cannot even arrange a chain of stations among themselves without going to the Canadian Broadcasting Corporation for approval. I am told that within the last few weeks a dozen contracts have been signed by the Canadian Broadcasting Corporation for choice hours, such as I outlined to-day, and the Canadian advertiser has to take what is left.

Now, Mr. Speaker, let me demonstrate to the house what our United States cousins think of their new privileges over the Canadian Broadcasting Corporation chain. I am sure the initials N.B.C., meaning the National Broadcasting Company, are familiar to every member of the house, since that is one of the greatest corporations in the United States. They have produced an attractive advertisement, of which I hold a photostatic copy in my hand, designed to get business from United States advertisers over Canadian stations. On the front in large white letters on a black strip we find the letters NBC. Then, opposite the letter "N" we find the letters "ow," opposite "B" we find "etter" and opposite "C" we find "overage," the whole reading "NBC, Now Better Coverage in Montreal and Toronto." Turning to the inside page we find across the top "New NBC Canadian supplementary facilities in Montreal" and "in Toronto."

Mr. ROWE (Dufferin-Simcoe): CBC?

Mr. LAWSON: No, this is NBC. Then they go on in these words:

Two major Canadian radio stations, CBM and CBF, in Montreal, joined NBC networks on November 14, 1937.

Then further down:

CBF: French-language station, full time, 50,000 watts, clear channel, 910 kilocycles, owned by the Canadian Broadcasting Corporation, is available (alone, or in combination with CBM or CFCF) to advertisers using either the basic blue or the basic red network.

Then, the next paragraph refers to Ontario:

NBC service in Ontario has just taken a big step forward. Station CRCT, NBC affiliate in Toronto, has increased its power—

And so on. Then they go on to say:

This is a clear-channel, full-time station operating on a frequency of 840 kilocycles. It is owned by the Canadian Broadcasting Corporation.

Then, on both sides I find notices as to the market, and it is stated that by using the Canadian Broadcasting Corporation's station in Toronto one may reach the province of Ontario, with thirty-three per cent of the population of Canada, and that by using the station in Montreal one reaches twenty-seven per cent of the population. In other words, by using these two supplementaries to the national broadcasting chain the broadcaster reaches sixty per cent of the population of Canada—and the people of Canada have just paid, out of their licence fees to the Canadian Broadcasting Corporation, for completing these two new 50,000 watt stations.

What is the result of all this? The result is unemployment.

Some hon. MEMBERS: Oh, oh.

Mr. LAWSON: Yes, more unemployment to Canadian singers, Canadian musicians and Canadian technicians. Every time we take business from magazines and newspapers, by broadcasting United States advertising, we are putting printers, typesetters and other workers out of jobs. May I say to the hon. gentlemen who just said "Oh, oh," that that was not my expression. I am simply repeating a resolution passed in Toronto by the Trades and Labour Council. That resolution was passed within the last week, and published in the newspapers.

For the privilege of maintaining the Canadian Broadcasting Corporation, created by this Liberal government, and maintaining the policies I have outlined, several branches of Canadian industry must be taxed to subsidize unfair competition with themselves; Canadian radio owners are being compelled to pay increased licence fees. I protest. On behalf of those associated with me in the Conservative ranks in the House of Commons, who have not yet had an opportunity to speak for themselves, I protest. On behalf of the people I represent in this chamber, I protest.

I promised the hon. member I would read the statute. If you will permit me, Mr. Speaker, I should like to be given an opportunity to lay my hand on the section stating that the Canadian Broadcasting Corporation has control over private stations. I am sorry that in the short time at my disposal I cannot put my hand upon it, but if hon. members interested—

Mr. HOWE: Because it is not there.

Mr. LAWSON: —will read chapter 24 of the statutes for 1936 they will find set out the power and control held by the Canadian Broadcasting Corporation over private stations. If I might cite one instance of control, may I ask who it was that imposed the censorship about which I complained last year? Was it a private station or was it the Canadian Broadcasting Corporation? If they cannot control what was broadcast over a private station, how do they censor the programs which go upon the air?

Mr. HOWE: Because the act gives them that privilege, but it does not give them the privilege to say how private stations shall run their programs.

Mr. LAWSON: I did not suggest that.

Mr. HOWE: What the hon. member stated is not the fact; why not say so?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, as I sat in the house when it opened at eight o'clock I was of opinion for a little while, when I saw so few members present, that my remarks this evening might take the form of a rather intimate conversation between yourself and myself, but I am happy to note now that the house is not quite so sparse as I thought for a moment it was going to be.

I regret that the hon. member for York South (Mr. Lawson) is not in his seat at present because, with most of the other members of the house, I listened before the dinner recess with a great deal of interest to what he had to say. I felt that whatever his case was with respect to radio he was certainly presenting it very well, perhaps making the best of a bad case, but at all events presenting his ideas with some force. That aspect of radio criticism which has to do with, shall I say, the permeation of Canada with American ideas is one which interests me particularly, and I recall that the hon. member for York South did not seem to fear nearly so greatly the permeation of Canada with American ideas when he was the sponsor, if I remember correctly, of the "Mr. Sage" campaign which was carried on in 1935. Apparently in 1935

the belief must have existed, as I have said once before in the house, that the Canadian people were hardy enough to stand any such onslaught on their national thought and life; but apparently the situation is a little bit different now. At that time I remember we were a little afraid that the Conservative party had gone Yankee, but I was glad to note from the way the hon. member spoke this afternoon that if he ever had any such intentions he has recanted, retraced his steps, and is now facing in the other direction.

I also regret the absence from the house at the moment of the right hon. leader of the opposition (Mr. Bennett) because, in common with most hon. members, I listened the other day with considerable interest to his offering, if we might call it that, in this debate. During the recess we have all had an opportunity of noting in the various journals of the country that, what they were pleased to call the political truce existing between the leader of the opposition and the government, was going to come to an end, and we have all been on the qui vive to observe what would be the form of behaviour of the leader of the opposition in signalizing the end of that truce. It may have been observed that these journals to which I have referred made no mention, in speaking of the truce, and the ending of the truce, of the right hon. gentleman's party. Rather it was always said that the truce which "the leader of the opposition" had permitted to continue would come to an end. All these journals realized, in their references to the great Conservative party, that He was It, and It was He; that all the members of that party were comprehended in the term, "the leader of the party"—all except its organizer, who, it seems, will not go to work until the party gets a new leader.

We have now had an opportunity of observing the manner in which the truce came to an end. We have heard the theme song, one might say, of the right hon. leader of the opposition in the new play that he proposes to enact in Canada. I read over his speech very carefully, and I think most people will agree that, aside from captious criticism, from what in the language of the street we call just mud-slinging, there was very little in the speech at all. The theme song of 1930 was "Promises" and the play was entitled, "A pledge for every Parish." That yields place now to this new opera.

Very soon after commencing and being rude to a new member of the house, after first misrepresenting what that hon. member had said, we found the leader of the opposition going on to discuss the actions of the Prime Minister (Mr. Mackenzie King) as though the Prime Minister had been a Roosevelt agent, or at any rate he allowed that inference to be drawn.

Then we had this great hint of corruption. That is the second offering we have for 1938—the hint of corruption—but so far the fear of making direct charges has restrained him.

There was also an attempt to make capital out of imaginary grievances supposed to exist somewhere in the cabinet, when such difficulties do not apparently exist at all.

Next we had an attack made upon men who are earnestly engaged in an important task throughout Canada, the important task of trying to lay the groundwork for greater unity and a greater degree of harmony in this country, something we all have known for a long time was necessary if this dominion was to endure. It would seem almost as if the leader of the opposition was afraid something was going to be accomplished. It would seem as if he wanted to render nugatory the work that any person else might attempt. The work of that royal commission was misrepresented. Surely it was a misrepresentation to suggest that its business was to amend the constitution of Canada. That was his suggestion. Indeed the words he used very clearly stated that the commission was engaged in amending the constitution, when as a matter of fact there is in the terms of reference to that commission no foundation whatever for any such suggestion. But it would seem that to state the case thus would engender fear in the country. It would seem as though, adopting the words of the speech from the throne—"the strains and stresses" of confederation—he had taken for his motto: If there are not enough strains and stresses in this confederation now, I will put in a few more.

Then there was his attempt to turn the east against the west, and city against city, saying that certain things had been promised in the St. Henry by-election, and that if Montreal can get such and such a promise why cannot Calgary get it, why cannot Vancouver get it, why not Edmonton, why not Winnipeg? But when you come to look at that a little more carefully, you will find that they can get that promise, that they have had that promise. It has been implicit all along in all relief arrangements, that what was indicated in the St. Henry by-election had been the order of the day in all these other places. As the right hon. gentleman puts it himself, it was said: "If local government fails, the central government will not fail". That, Mr. Speaker, has always been understood, and there has never been any

difficulty about it. The only difficulty there has been was whether or not the local governments would get to the point of admitting complete failure.

The real difficulty about relief is not that. The difficulty we have here in the matter of sharing relief costs is, in my opinion, that the central government has never taken its full share, the share it should have taken, of this relief expense. But at that, the present handling of the relief problem is immeasurably superior to what it was over the five long years between 1930 and 1935. We have here, however, an attempt to set one section of the country against another by suggesting that one section can get what another section cannot. That, decidedly, is not the case, but it apparently suits the right hon. gentleman's convenience to speak that way. I would not say that he is malevolent, that he definitely wishes ill but his approach to this particular problem could hardly be different if he were malevolent. He would create two stresses where there was only one before, and two strains where there had been only one.

I wish also to put on record again, what most likely all have noticed, his misrepresentation of the position of Canada in the money market. It was said that the position of Canada was inferior to that of Australia, and facts were given to bear out this conclusion. A comparison of an Australian loan with a Canadian loan was made. Of course we know that what was stated was not true. Next day the inaccuracy of these remarks was exposed. Then, if nothing else had occurred, it would be our business to consider whether the right hon. gentleman knew of the untruth at the time he stated it. He tells us, however, that he had in mind a former loan of Australia, that he got the facts respecting it and then compared that former loan with one of the Dominion of Canada which was a current loan, and, thus endeavouring to compare things which were not comparable, he concluded that Canada's position in the money market was inferior to that of Australia. Since he asks us to believe that is what he did, of course there is not any question about its being believed. But if a little more care had been taken, the critique in his main speech would not have gone out to the country in the way it did; and when you publish a statement throughout the country, any amount of explanation afterwards will never quite overtake the misrepresentation originally made.

I remember a story about a clergyman who, being slandered, went to the woman who had slandered him, and explained the situation to her. She promptly accepted the explanation and made an apology. But he conducted her to a high place and gave her a cushion or a pillow or a bag of feathers and asked her to scatter the contents about. This she did, and he then said to her, "Now just put them back in the bag." Of course she could not do it. The clergyman realized that no further explanation was needed to demonstrate to her the impossibility of catching up with a false statement when it had once been made. In this particular case we have, either a deliberate attempt—and that must be ruled out—to misrepresent the position of Canada, or negligence in the discovery and presentation of facts; consequently there is a misrepresentation of Canada's position, and so the situation is just as bad as if it had been deliberate.

In going over the speech of the leader of this once great party I find in it only one concrete statement of political philosophy, and that, it would seem, is just a little bit more absurd than any other declaration he has ever made. That was the declaration that free trade makes for war. I do not propose at the moment to pursue the general idea of tariff making and the philosophy underlying tariffs, because I believe there will be plenty of opportunity at a later time. But I wish to remark at this time that this question of high tariff and low tariff should not be regarded as an east versus west proposition. It seems to me that the concept which better pictures this problem is that of primary producers paying by way of taxes and higher prices for processes; it is the concept of the primary producer versus the processor. Perhaps, in view of the fact that the proportion of primary producers in western Canada is larger some people there get into the habit of looking upon this particular controversy as one of west versus east. But I think we should not allow ourselves to fall into that error, because decidedly it is not the true nature of the issue.

But revert for a moment to the "Free Trade Brings War" doctrine. Here you have it that Peel and Canning caused the Crimean war when they reduced duties on a large number of articles, and particularly when, after Canning's death, Peel became in favour of the repeal of the Corn Laws and brought about almost complete free trade. As a matter of fact the right hon. gentleman, I believe, particularly mentioned the Crimean war and related it to these particular acts of these English statesmen. So all British wars thereafter up to the time of the great war appear to have been caused, on this theory, by the free trade policy of Great Britain. And further, in view of the fact that no nation in the world except Great Britain practised free

trade before the great war, the responsibility for that war must also rest almost entirely upon the shoulders of Great Britain. That is the doctrine of the right hon. gentleman. It is a proposition so absurd that one wonders how his mouth could have framed the words.

A few years ago, when he went to England and endeavoured to persuade them to adopt a protective policy his speeches were denominated by a member of the British cabinet, and have been known from that time until now, as the "Humbug" speeches. Apparently, although Jimmie Thomas called his talk "Humbug," what the right hon. gentleman was really doing, was persuading the people of Great Britain to become peaceful and to adopt protection, for to adopt protection would be the same thing as to turn their faces in the direction of peace. Also, since the world war, when economic nationalism seems to have run riot, the fact that every nation in the world has gone in for protection to a greater or less degree is apparently the reason why the world has been so peaceful. After the nations adopted the policies of the leader of the once great Conservative party peace descended upon the world, not exactly like a dove but more like a flock of bats. I do not suppose the world has ever had a worse time from the standpoint of peace and war than in the years since the treaty of Versailles.

There is the only concrete proposition that has been laid before the house by the leader of the opposition in his lengthy speech. We have some criticism; we have harmful criticism; we have stress creating criticism; we have strain creating criticism; and conjoined with these we have the one proposition that if you do not go in for more and more protection you are likely to be drawn into war. There we have his whole contribution, and I wish to make record of it in the house at this time in order that there may be no mistake about it.

As for myself, I wish to introduce one or two declarations I have to make with reference to the speech from the throne by asserting again, as I have often asserted before, that I do not belong to any party of a fascist or communistic nature and that I do not rest under any iron heel of discipline. Nor, since we are talking about political parties, do I answer to the crack of any party whip; in fact, I have never heard of any whip to the crack of which anyone else had to answer. I work and do my thinking in the genial warmth of the Liberal party, in which there is freedom of expression, freedom of expression as in Tennyson's England, where a man might speak the thing he would.

I realize that I am often impatient, but I believe that in the long run greater advancement will be made by working from within the party where one can find kindred spirits, than by any other means. Greater progress has been made in that way in the past, and that will hold true in the future. Of my friends who are called left-wingers, I often think that if one-tenth of the energy they devote to the organization of more extreme party forms were spent in working with, shall I say, the more impatient ones within the Liberal party, ten times more progress could be made than by the method they are pursuing. However, I have no wish to push my own ideas down anyone else's throat; everyone has his own way of working.

I propose, as my conscience from time to time directs me, to express any thoughts that occur to me, whether they are completely in consonance with the ideas of my party, or to express views not yet having gained status by an ex cathedra utterance. I feel that in doing so I would not be in any way like the hon. member for Carleton (Mr. Hyndman) who, a few days ago, when he expressed willingness to see factories in Windsor and Oshawa closed, butted his revered and honoured leader in the stomach—metaphorically speaking, of course. The right hon. gentleman must have been astounded by that blow.

It is sometimes said that the government does not move fast enough, and we have before us at the present time an amendment to that effect. As I have already indicated, I have a fellow feeling with healthy impatience; but there are two points to be noted in that connection, and they stand out in bold relief. In the first place, you cannot very well say about the government that it is not doing this and that; that it is not advancing this and that measure, and every other proposal put up to it, and at the same time accuse it of being a mere vote-catching administration. You cannot have it both ways. The second point that stands out is this. When you bear in mind the tremendous increase in the mortgage debt of Canada which was incurred in the last five years before this government took hold, an increase approaching a thousand millions of dollars, you are bound to realize that, with the extra burden thus imposed, many plans which one would desire to attempt—costly plans—cannot be immediately proceeded with. And I say that, in spite of the fact that I myself am impatient. I think, however, that when people are impatient they should try to cool themselves so as to be just.

Personally I regret the absence from the speech from the throne of any specific reference to the question of aid to low cost hous-

ing plans. I realize that this may not mean its exclusion, and no doubt a further opportunity will be afforded to deal with the matter. I should like to observe, however, that assistance to the construction industry, which seems to be about the most depressed of all, would break the back of unemployment, and I hope to see something of that sort introduced into the house.

I welcome the references which the Minister of Justice (Mr. Lapointe) has made to the padlock law of Quebec. I must say candidly that if statutes are to be disallowed, I believe that statute should be disallowed. I apologize for not having said so last year; I should have made that statement then. I feel very strongly about this matter. I believe that if any statute should be disallowed, that one should be; it should not be allowed to stand. The reason I did not express this opinion last year was that I thought the law would be a dead letter. I was wrong, and I now endeavour to make amends for my failure on that occasion. Mind you, I am in favour of all necessary safeguards against subversive action, but they must be safeguards and they must be necessary.

Turning for a moment from that subject, may I say how welcome to me is the reference in the speech from the throne to unemployment insurance. I am not one of those who expect too much from any statute of that sort. I believe it is probably only one of the steps that will have to be taken in an endeavour to end this scourge of unemployment. No laws that we can enact could be perfect, and I should expect that any law would have to be amended almost as soon as it became operative. I certainly commend the wisdom of seeking to obtain provincial approval of any such amendment, but I hope that lack of complete provincial approval will not hold up the address of this parliament to the British parliament asking for the amendment of the British North America Act, because it would seem to me that we must get the law operating soon, in order that we may acquire the experience necessary for further advance in an endeavour to wipe out what seems so far at any rate to be an inherent defect in the system under which we live.

I am glad to see this unemployment insurance proposal for another reason, namely that it marks the adoption of the principle of greater responsibility of the central government in respect to unemployment. I should have been glad if that principle had been adopted a little more definitely with reference to the relief difficulties that we have had in Canada for the last several years. Last year I had an opportunity of saying to the house something about the plight of the cities and the heavy load they are made to carry. I feel that the division of the cost of unemployment relief which results in putting more than one-third upon communities which can obtain money only by direct taxation, and that upon a very narrow base, mainly real estate, is not fair. I am not saying for a moment that I believe the central government should carry the whole burden, but I say that when a division is made which results in a city such as that from which I come being forced at certain times to carry well up to fifty per cent of the total load, that division is not fair. At the present time my city is being forced to find somewhere in the neighbourhood of $1,500,000 for this year, with all avenues of taxation already exhausted—a well nigh impossible task. I suppose there will be not more than 30,000 people upon whom the necessary levy can be made in order to obtain that large sum of money. The situation in Regina, Vancouver, Edmonton, Saskatoon and most other cities is substantially the same, according to the information which they severally have given to me.

Touching further upon this unemployment problem it seems to me that the two most important aspects of it, if you can single two out from many, are those of the soldier veteran and the youth of the country. As to the former I understand a special opportunity will arise later when we come to consider a report; therefore I need say nothing about it at the present time. But, sir, it is impossible to overstate the importance of youth training and youth reclamation work. If the government of the day had done nothing else, its advance upon this problem during the recess would be sufficient to entitle it to the continued confidence of the people. What has been done is not so much in itself as an earnest of what is to be. Now, according to the speech from the throne the work is to be continued and the plan enlarged.

I have kept in very close touch with youth, both employed and unemployed, and I believe there is no sadder sight, and one could not have a sadder experience, than to find young men and young women hopeless because jobless. We seem always to be in danger of falling into the needless use of superlatives in discussing problems of this sort; yet even at that risk I say that I do not believe any country has any other assets quite equal in value to its youth. Continuing the thought of the youth of our country being wealth, I think I am justified in saying that youth is the greatest jewel of the country. And to permit idleness among youth, to such an extent at any rate as to sap their morale or begin to render them incapable of seizing

opportunities when they arise, is comparable with throwing your jewels into the sea. No price is too great to pay to prevent this from happening, and no price that can be paid hereafter will restore our loss if we permit it to happen.

Now, as I have already indicated, there is much that I should like to see done. I have expressed dissatisfaction with some things; I have failed to express the satisfaction that I feel with many other things, but time does not permit. While I have various aspirations and aims and ideals I would sacrifice them all and accept anything if I knew that the young people of the country were being saved for the country; that they were going to get their chance. As far as I am concerned everything else may go by the board if youth gets its chance. And observing what has been done and realizing that more is now to be done in the way of training and reclamation of youth, I feel that in this respect at any rate I should be content. There is more hope in that one section of the speech from the throne than in any other part of it.

Mr. W. A. WALSH (Mount Royal): There is no doubt in my mind that the mover and the seconder of the address in reply to the speech from the throne have been amply congratulated by hon. members of the house. I would not wish to make the expression commonplace by repeating it; nevertheless my feelings are just as sincere towards those two gentlemen as the feelings of those who have already expressed them in more graceful language. I know that the task committed to the charge of those two newly elected members was a delicate one, and involved a rather heavy responsibility. The government could have made their task more pleasant, more enjoyable and more satisfactory if they had brought before the house something of a more commendable nature by way of an address. Very unfortunately the newly elected members had rather a bare bone on which to chew. It was unfortunate for them that they had to make their initial speeches under such circumstances; nevertheless even under those circumstances they acquitted themselves well, and I add my congratulations to those already extended.

I should like also to pay my tribute, humble but sincere, to the right hon. Minister of Justice (Mr. Lapointe) on an honour that has come to him in recent months. It is an honour well deserved, and I am sure that there is not a member of the house, on either side, who is not sincere in expressing his congratulations to the right hon. gentleman. I hope he has a long life still ahead of him in which he may enjoy the full vigour of health, so that in due course we on this side will have the privilege of addressing him, sitting to the left of the Speaker, as the right hon. former Minister of Justice.

May I express the hope that the mover of the address has left behind him a certain atmosphere which must have accumulated during his long term of service in the legislature of Quebec, and particularly during the last few years of that service, when he had the misfortune to be a member of the now famous Taschereau regime. I am hoping that in the pleasant surroundings of this house, with the congenial companionship that he will find here on both sides, he will soon learn that he has migrated to a vastly different atmosphere, and that anything he has said or done in the past will be completely forgotten. I followed the campaign in Lotbiniere with some degree of interest, for it has been my privilege to know the newly elected member for that constituency for a number of years. I remember him in Quebec in 1917, during rather troublesome times, rather hectic days in that province, when the lives of certain politicians of a certain faith were not worth a great deal. I remember him, as a member of the legislative assembly, rising in his seat and moving a resolution which I desire to read. I am sure hon. members will appreciate this reference, which will enable them better to understand the antecedents from which the hon. member has graduated. At that time the hon. gentleman was a member of the Quebec legislature for the constituency of Lotbiniere, the same constituency which he now represents in this house. This is the resolution he moved:

> This house is of opinion that the province of Quebec will be disposed to accept rupture of the federal pact of 1867 if in the opinion of the other provinces it is believed that the said province is an obstacle to the union, to the progress and the development of Canada.

Unfortunately they do not keep a record of the proceedings in that legislature such as we have here. Otherwise I should have had an opportunity of reading some of the choice phrases then used by the hon. gentleman in support of this resolution. That, however, indicates the atmosphere which the hon. gentleman has left, and I wish him well in the atmosphere he is now enjoying.

I should like also to direct the attention of the house to the misuse of the result of that by-election in Lotbiniere. The Prime Minister (Mr. Mackenzie King) characterized it, in his usual manner, as another evidence that the people of this country were well satisfied with the policies of the present government. You will excuse me, Mr. Speaker,

for using the word "policies"; I use it because the Prime Minister also used it. For my part I fail to see any policy that the present government has, but those were the terms the Prime Minister saw fit to use. I want to point out that the policies of the present government were not discussed during the by-election in Lotbiniere. I should like to quote a statement by the present member for Lotbiniere, who was the candidate representing the Liberal party in that by-election. This statement appeared in L'Action Catholique, which is published in the city of Quebec, and which certainly is not a Conservative paper:

> The victorious candidate expressed himself as "flatly opposed to our spending one single dollar, one single cent, to equip and send one sole soldier to a war foreign to Canada."

I compared that with the statement made in Paris by the Prime Minister, and I could not understand how the right hon. gentleman could suggest that the success of his candidate in Lotbiniere indicated the goodwill of the people towards the policies of the present government. This is the statement made by the Prime Minister, and I contrast it with the statement made from a public platform by the present member for Lotbiniere:

> Some people have been implying since the imperial conference that Canada wished to withdraw more from the affairs of the commonwealth of British nations. This is entirely untrue. We like to manage our own affairs, but any threat to England would immediately bring Canada to her side.

That is a quotation from the London Times. It is, I should say, rather opposed to the statement by the hon. member for Lotbiniere.

I should like to emphasize the point I am making, namely that the election of the hon. member for Lotbiniere was no vindication of the policy of the present government, by quoting again from L'Action Catholique:

> It appears that in certain circles the great victory of the Hon. J. N. Francœur in Lotbinière is interpreted as an approbation of a policy of armament.
>
> There should not be a mistaken idea on this point. Inasmuch as the electorate of Lotbinière endorsed the present armament policy it was with the condition that these armaments serve exclusively for the defence of Canada. To pretend that Lotbinière expressed its willingness to give a blank cheque for armaments would be going pretty far.
>
> If Mr. Francœur and Mr. Lapointe had showed themselves less hostile to participation in imperialistic wars, the result would have been quite different, even in a county that is Liberal by tradition. . . . The vote in Lotbinière is a frankly anti-imperialist vote.

I want the hon. member for Vancouver-Burrard (Mr. McGeer) to note that statement, because he was given to making certain misstatements in the by-election in Victoria which would lead the people in that section of the country to believe that the present government was very much pro-imperialistic.

While we are on the subject of by-elections may I for a moment digress to speak about the by-election in Victoria. I feel that the manner in which that by-election was conducted, from the Liberal side, was a disgrace to the public life of Canada. I consider that if there is any justification for the formation of fascist and communist organizations in Canada, they will find a certain justification in the statements made from public platforms by men who are presumed to be enjoying public confidence and to hold responsible positions. The people are losing confidence in those men in high office. They are losing confidence because of the rash, ridiculous statements these people make to win by-elections.

May I draw to the attention of the house a statement made by the Minister of National Defence (Mr. Mackenzie) in support of the expenditure of certain moneys at the Pacific coast for armament and defence I quote from the Victoria Daily Times of November 19, a paper which is probably more pro-Liberal than any other paper in Canada:

> The minister referred to the appropriation for this purpose, for British Columbia increased from the 1935-36 total of the Bennett regime of $1,916,000 to $5,817,000 with an additional $2,346,000 for air equipment. This was a program for the Pacific coast from Prince Rupert to Esquimalt, including points at Vancouver and Vancouver Island which could not be completed until 1940.
>
> "If I am here," said the minister, "not as a Liberal or as a politician but as Minister of National Defence, who has had some difficulty in this program to ask you to indicate to the government do you approve of these policies of security for the Pacific coast, or do you not?"
>
> Mr. Mackenzie mentioned he had had some difficulty in securing these estimates and urged Victoria electors to give their endorsement by sending to Ottawa a man who could assist him.
>
> Mr. Mackenzie pointed out the naval magazine in Esquimalt had been condemned as far back as 1905 but nothing had been done about it until the Liberal government did it, and told how Canada's forces had been starved to deterioration during the depression.

I ask you, Mr. Speaker, and members of the house, this question: Does any man with a high sense of public responsibility feel that under the circumstances those statements by the Minister of National Defence were justified? I ask hon. members to consider those statements carefully. We voted to his department the sum of $35,000,000 to be used for purposes of national defence. That was to be administered as a sacred trust fund by the Minister of National Defence, through

the department over which he has control. But instead of administering it as a sacred trust he saw fit to bring it on to the political platform, to parade it before the electorate of Victoria and to state to them, "In view of the fact that through my department I have spent $5,000,000 or $6,000,000, therefore you should support the Liberal candidate." Appeals of that nature are most degrading, and are not in any way uplifting in the minds of our people. Sooner or later such appeals are going to undermine the democratic principles we enjoy. I make that statement without animosity, feeling that I am speaking in the public interest. I say it because I feel that every man and woman in Canada with any understanding of the responsibility of that minister feels that he no longer is justified in holding his present position and in asking for a further appropriation of about $30,000,000 to be spent in a similar manner during the coming year.

I would develop the point at greater length, but I notice the time is slipping by. I had intended, however, to refer to the statements made by the hon. member for Vancouver-Burrard, when in the course of the by-election he took advantage of a last minute broadcast, so that no reply could be given. In that broadcast he made statements which were justified neither by fact nor even by possibility of fact. In putting before the public certain information which he must have known would not bear close scrutiny, and which he knew would not receive close scrutiny, on account of the fact the contest was almost at an end, I believe he transgressed even the ordinary rules of debate. In one part of his observations he said this:

> The real issue in Victoria's by-election that has been made by Mr. Bennett is: "Are you in Victoria going to support the government of Canada going along with Great Britain and other nations of the empire in working out a world trade policy, suitable to the needs of 1937, or are you going to stay with Mr. Bennett on his 'Canada First' program of 1930," said Mr. McGeer. "Are you going to vote for the empire and empire unity, or are you going to vote for Mr. Bennett's condemnation of the empire policy developed at the imperial conference in 1937."

I have not seen tabled in the house any report of an imperial trade agreement or an imperial policy embodying a trade agreement, as a result of the imperial conference of 1937, and neither has the hon. member for Vancouver-Burrard. The policy he was enunciating there is a direct development of that policy enunciated in 1930 by the present leader of the opposition (Mr. Bennett), and the direct result of the empire trade agreements reached in this building in 1932. Yet in a last minute broadcast the hon. member for Vancouver-Burrard would wish the people of Victoria to understand that those trade agreements were the result of the imperial conference of 1937, and that the present government should take credit for development along those lines.

The hon. member went even farther, and made a comparison of figures. Of course he was most happy in his choice of figures. It was his desire to suggest that the trade agreement with the United States had shown a very favourable trade balance in favour of Canada. In giving the figures he stopped where it was convenient for him to stop, namely, at the end of August. He failed to go on to give the figures for September, October and November. If I may be permitted to do so I shall now set them out. For September, October and November of 1936 we had a favourable Canadian balance of $25,366,000. That is the figure arrived at after comparing the imports of Canada from the United States with the exports of Canada to the United States. For the same three months of 1937, however, we find a favourable United States trade balance of $19,597,000. Hon. members will recall that when we were discussing the agreement the leader of the opposition and his colleagues suggested that the market in the United States was a most uncertain one, and that we in Canada should be dependent upon the more certain market offered in Great Britain. This is proven by the figures. The trade balance is now against us and in favour of the United States and is likely to continue so.

Just one more reference to the Victoria by-election. The premier of British Columbia gave vigorous support to the Liberal candidate, and assured his audiences during the campaign that they need fear no contamination from a Liberal candidate being elected for Victoria. He expressed the feeling that the government would see that the beneficial results of the British Empire agreements were consolidated and retained so far as Canada was concerned. On more than one occasion he assured his audiences that such would be the case. After assuring them during the course of the by-election that that would be the case, why did he do a loop-the-loop act in the provincial legislature in order to bolster up his own position in the province? After assuring audiences in Victoria that they had nothing to fear from the present government so far as empire trade agreements were concerned, listen to this motion which was moved

early in December by the premier of British Columbia himself and forwarded to the government at Ottawa:

> This house favours the principle of empire preferences and urges upon the dominion government the great importance to British Columbia of the maintenance of existing markets in Great Britain and other parts of the empire.

After deceiving the people of Victoria, telling them they had nothing to fear, he brings forward this resolution in the legislature at Victoria requesting the present government at Ottawa to safeguard what the previous Conservative government had won in 1932.

I was going to refer to the St. Henry by-election, but that has already been referred to. Lavish promises were made in that campaign by ministers who are at present members of this house. I want to read a statement made by the member-elect, now the member for St. Henry (Mr. Bonnier) shortly after his election. It shows a very high standard of public idealism. The member-elect was interviewed, and this is the substance of the interview. He was asked if he was going to retain a double mandate, namely, the honour of being alderman for St. Paul ward in the city of Montreal as well as being member of parliament for St. Henry, and he assured them that such was his intention:

> "Why not," answered the councilman for St. Paul ward. "The people in my district have given me their confidence. I am ready to fulfil a double mandate and remain on Parliament Hill as well as at the city hall—"

I want the house to notice what follows:

> "—to get public works which had been promised for my division."

What high idealism! He comes here to help solve our national problems, and here we have his reason for being in this house supporting the present government—to get public works for his division. What public works? The interview continues:

> First, a tunnel under the Lachine canal. Then the abolition of railway tracks and level crossings in St. Henry. This would come with the construction of the Canadian National Railway station at the site of the big hole on Dorchester street. I also figure on getting a bridge to link the down-under division with the Notre Dame de Grace area. After his federal division gets these, he'll say good-bye to Ottawa. Concordia is enough for him.

We welcome, Mr. Speaker, to this house the hon. member for St. Henry, who will be of considerable assistance to both sides in bringing to bear important opinion upon our great national questions. Does the house realize that what has been promised in St. Henry involves the expenditure at the very least of $50,000,000? Is one by-election in St. Henry worth the price of $50,000,000? And, remember, the Secretary of State (Mr. Rinfret) said that this would be done before the next election. It is not worth it, and it lowers the standard by which public life is viewed by the public of Canada when we have statements of that kind from our public men, seeking to come here to help solve our great national problems.

I was going on to relate other incidents, but I shall close that part of my remarks. I was going to refer to the Taschereau government in Quebec that is now out of office. Many of the supporters of that government are now supporting this government. I assume they are glad to get away from the kind of atmosphere which prevailed down there. They have a better atmosphere in that province now. The only comparison I was able to find in Canadian history with the Taschereau government, defeated in the province of Quebec in 1936, was the famous "Hug-the-machine" Liberal government in the province of Ontario. Every time I look at Canadian history from the point of view of standards of public life it seems that it is generally, if not always, a Liberal government which is involved in conditions of the kind to which I have made passing reference.

An hon. MEMBER: How about the Roblin government?

Mr. WALSH: For every Conservative government that can be named, I can name two or three Liberal governments that fell, and fell far more badly, from grace than any Conservative government ever knew how to fall. That brings to my mind a conversation which took place on the train between Montreal and Ottawa. The Minister of Trade and Commerce (Mr. Euler) will remember a very pleasant trip we had in the fall. I was talking to a gentleman on the train coming here to do business, or at least he thought he was going to do business, with the Department of National Defence, and he wanted to know where the department was. "Do you know," he said, "what I am going up for? For thirteen years my firm has had regular business from the department, and now I have not heard from them for over a year." I said, "There must be some mistake. You will find them pretty nice fellows over there." I came back on the train with him and asked him how he had got along. "Not so good," he said. "What happened?" I asked. He told me he had asked them why he had not received any inquiries or any orders, and he said they told him, "Well, you do not manufacture your

goods in Canada." "Oh, yes," he said, "we do. We have a big plant in Montreal, and all our material, containers and everything else, is made in Montreal." Well, that did not go over so good. They said to him. "Your name is not on the list." "What list?" he asked. They said, "The patronage list." "Oh," he said, "I did not know there was any such list." "Oh, yes, there is," they told him. "Then by what means do I get my name on that list?" he asked. "I am afraid you will have to see the patronage committee in Montreal," they said.

Now that is a fact, Mr. Speaker, and that is what I understand is regularly taking place in a great many departments of the government at Ottawa. There, at any rate, is one illustration that I know is an absolute fact.

I was going to speak of the attitude of the present government towards provincial legislation. I was going to ask why they had not done something about the Ontario legislation and the so-called padlock legislation referring to communists in the province of Quebec, but I see my time will not permit. In passing let me say that I do not agree with the padlock law. I agree with the object which the premier of Quebec has in view, but I do not agree with the method he is pursuing by putting that statute on the books. I want to say in justification of the premier of that province that he is no separatist. He is not trying to bring about disunion in Canada. Listen to these words of Premier Duplessis, spoken at Longueuil on January 15:

> No separatist spirit can prevail in the province of Quebec, for the province intends to remain an integral part of the dominion.

That is his attitude, and that attitude he will maintain. Although we find him opposed to changes in the British North America Act, there are good and sufficient reasons, for he belongs, so far as the dominion is concerned, to a minority race. In that province I myself belong to a minority race, and I am in agreement with him and with my friend the hon. member for St. Lawrence-St. George (Mr. Cahan) that there should be no changes in the British North America Act but that we should endeavour to meet conditions as they arise by some other method than that proposed by the present government.

I was also going to refer, if time would allow, to the Canadian Broadcasting Corporation, but that matter has already been amply covered. I only wish to say that I am in entire disagreement with the policy which is being pursued by this government. Naturally I disagree with the increase in the licence fee from two dollars to two and a half dollars, but that is of minor importance. I disagree with the principle of their policy. You cannot have growing up in this country a publicly owned institution along with a privately owned institution of the same nature. Either you have to adopt the British broadcasting system or the system in the United States. The institution should be either publicly owned or privately owned. It cannot be jockeyed midway between the two. It is not fair to the privately owned stations or to the ratepayers of this country to put the corporation in competition with regular business. As hon. members know, one of the principles of government is that the government should not engage in business but should strive to regulate business. I believe the radio is of national and international importance, and for that reason it should be put on the same basis as the post office, on the same basis as the telegraph and telephone systems of Great Britain, and made a public utility supported by the government for the convenience of the people living within the dominion.

I also intended to refer to the Americanization of our purchasers in this country, but that has already been satisfactorily covered.

As regards the railway situation, I can refer to it because in the speech from the throne it is covered by a negligible quantity of words, in fact no words at all. There is no reference to what the government proposes to do to solve this great problem. It is on our hands. It is not of Conservative creation. I do not intend to review the history of this problem; it is sufficient to say that it is of such magnitude as to require immediate attention. Liberal members when they were sitting on this side of the house urged the then Conservative government to deal courageously with this matter. Have the Liberals dealt courageously with it? What have they done since coming into office towards solving the railway problem? They have done two things. First, against the express recommendation of the Duff commission they did away with the trustee system and established a board of directors. Second, they introduced last year Bill No. 12, to create a new financial set-up for the new Canadian National Railways, thereby taking away from the railway's statement that which meant anything to the citizens of Canada, in that it showed them exactly what that system meant financially to this country. I have in my hand a resolution which was passed by the Canadian Chamber of Commerce, at Vancouver, requesting the government to take "resolute and constructive action to solve the railway

problem." I have another resolution from the Federation des Chambres de Commerce de la province de Quebec. After reciting their reasons for making the resolution for presentation to the government, it continues:

Be it resolved, that representations be made to the government of Canada urging the pressing necessity of adopting effective measures to secure the most economical operation of Canada's railway systems, in order not only to eliminate the deficits of the Canadian National railways, thereby reducing the drain on the federal treasury, but also to improve the financial position of the privately-owned railway whose good credit means so much to Canada as a whole.

These organizations represent a large body of public opinion. Yet the present government are giving no lead in the direction of a possible solution of this gigantic problem. I trust that during the course of this session we on this side of the house will be given ample opportunity to discuss the possibilities of a solution. Mr. C. H. Carlisle, president of the Dominion Bank, says that the country's great railway problem would be the more speedily and efficiently settled were it free from party politics. I quite agree. I suggest that it can be settled by the present parliament. In this house are hon. members who are conversant with that problem, public spirited citizens representing all parties, and if a special committee of the house were appointed and the government bound themselves to accept a unanimous report from that committee, I believe that in sitting around a table and forgetting our politics we would soon reach an agreement and a settlement that would be advantageous alike to Canada, to the Canadian National Railways, and to the privately owned corporation, the Canadian Pacific railway. I am not advocating unification, but I do believe it is the only solution so far presented which merits some consideration. I am prepared to receive other suggestions and give them equal consideration, but I honestly believe that a select committee of the house could settle this problem during the course of the present session and relieve Canada of the financial milestone which hangs around her neck. Do hon. members realize that, of the total debt of the dominion, namely $4,750,000,000, over fifty per cent is directly chargeable to the Canadian National Railways and to our venture into public ownership? When hon. members are confronted with facts of that nature they will readily understand why I feel, as others do, that it is urgent that the present government and the present parliament should tackle the problem involved in our railways in the courageous manner suggested by an hon. member, a Liberal member, when he was sitting on this side of the house.

One last word. The Minister of Finance (Mr. Dunning) has placed before parliament the main estimates for the coming year. They amount to $418,968,899, and compare with estimates last year of $410,465,397, representing an increase of $8,503,502. The supplementary estimates are still to come. Is it not unfortunate that, knowing that the people of Canada are overburdened with taxation, the present government cannot see its way clear to reduce rather than to increase expenditure? To that total of $8,503,000 I want to add this figure: During the year there was saved by the present government through a policy of conversion the sum of $6,000,000. That has also been spent, so that the total increase this year over the same estimates of last year is $14,503,502, a tremendous increase, a stupendous amount of money for the parliament of Canada to be spending on a population of eleven million. I leave it to hon. members to figure out the per capita of that expenditure; I leave it to them to say whether such an increase is at all justifiable; I leave it to them to say whether they are playing fair with the people of Canada in increasing rather than reducing government expenditure.

The present government came into office on promises to reduce expenditures, to reduce taxation. Have we seen any material evidence of action in that direction? The first step this government took was to increase the revenue by increasing the sales tax from six to eight per cent Their next step now is to add a further burden of fifty cents a set on radios and to extend the fee to all sets which anyone may have within the precincts of his home. What other steps are going to be taken by the government to increase taxation still further it is hard to say, and probably only one with a vivid imagination can guess what expenditures will be required by them before they leave office.

Is there anything of political significance in the increase in the amount of money required by the present government as shown by the estimates? Do they contemplate an election? Do they contemplate fulfilling some of the rash promises they made in Victoria, St. Henry, and other parts of the country? I would ask the hon member for St. Henry to go through the estimates carefully. If he does so he will not find in them any reference to a tunnel under the Lachine canal; he will not find any reference to the removal of railway tracks from his division of St. Henry;

he will not find any reference to an appropriation to be used to fill the hole on Dorchester street; nor will he find anything that will lead him to believe that the present government is going to build a bridge from the lower St. Henry division to the section of Notre Dame de Grace.

I leave these thoughts with hon. members and with the government, and ask them to look at the facts from a non-partisan point of view, so far as expenditures, radio and railways are concerned, and to give the public for once in their lives a really square deal.

Mr. W. A. TUCKER (Rosthern): My first words in this third session of the present parliament will be those of congratulation to the Prime Minister (Mr. Mackenzie King) on the way he represented our country at the coronation of the king and queen last summer. I am sure the whole of Canada was delighted with our representation at that time. My next words will be those of congratulation to the Minister of Justice (Mr. Lapointe) on the honour conferred upon him in being made a member of the British privy council. Regardless of race or creed, Canadians of all classes from one end of the country to the other, from the Atlantic to the Pacific, regard the right hon. the Minister of Justice as a great Canadian. My next words will be those of congratulation to the mover (Mr. Francoeur) and the seconder (Mr. Warren) of the address in reply to the speech from the throne. It would be presumptuous on my part to emphasize that because they are both older parliamentarians than myself. I can only express the hope that they will both be long spared to serve the country in this house.

I do not intend to follow the last speaker (Mr. Walsh), but there are one or two remarks which I think I should make in reference to his speech. He suggests that in some way Liberals are inclined to be more corrupt than Conservatives; in fact, he seems to think the Conservatives are so virtuous that they can afford to point the finger at us. I suggest to the hon. gentleman that the people of Canada are tired of mud-slinging between parties; what they want to know is what we are going to do to solve some of their problems. Furthermore, we do not need any lessons in virtue or political honesty from the Tory party.

May I express the appreciation of the people of Saskatchewan of the aid given them in the greatest calamity that has ever befallen any province in the history of Canada. First of all, we appreciate the voluntary aid so generously extended by all parts of the country, especially by the farming population, many of whom were not in any too good shape themselves. We realize that now more than ever, since hearing the speech of the hon. member for Huron North (Mr. Deachman). In order to help us, many of these people filled cars with the produce of their own labour, which produce they could ill afford to give away. It showed a magnificent spirit of Canadian fellowship. Let me also, on behalf of Saskatchewan, express appreciation of the generous aid given by the government of Canada. It was no more generous than the situation demanded; nevertheless we were glad to know that in our troubles the rest of Canada had no objection to the government coming to our aid. I wish to say how much western Canada appreciates also the energy of the Minister of Agriculture (Mr. Gardiner), who went there and covered the ground by automobile, making a thorough study of the situation. I believe, as most of the people of Saskatchewan believe, that on the whole he dealt effectively and satisfactorily with the greatest problem which any minister of the crown will probably have to face during the time this government may be in office. The task needs only to be seen to be appreciated. It is the greatest problem that has ever faced any government in connection with drought in our history.

Let me now pass on to some remarks that have been made arising out of that help, which we think had a great deal to do with demonstrating the essential unity of confederation, and the fact that we are consciously a nation. Incidentally, before I forget, there is one thing more I would say to the hon. gentleman who has just taken his seat. He seemed to suggest that the people of Quebec, the people of Lotbiniere, were unique in being inveterately opposed to purely imperialistic wars. My father was born in Ontario of British stock; I was born in Manitoba, and I do not think anyone in Quebec is more opposed to imperialistic wars than I and those like me of British stock, the young people of Canada, from one end of the country to the other. Does the hon. gentleman suggest that he is favourable to war as a part of imperialism? If he does, he should belong to another age. Wars of imperialistic conquest in democratic countries should be a thing of the past, especially since we have seen something of the horrors, the miseries, the frustrations and the unutterable unhappiness caused by war—and I have seen a little of it all myself. In the

face of all this, no one in this house should condemn anyone for saying that he is opposed to imperialistic wars.

Mr. WALSH: Would the hon. member permit me to say that I am in hearty agreement with what he has just said.

Mr. TUCKER: I am glad to hear it, Mr. Speaker. The verdict in Lotbiniere should not be regarded as an endorsation of imperialistic wars. I do not think anyone ever thought it could be so regarded.

The suggestion has been made by some people in the central part of Canada—I am glad to say I do not think they are in the majority; in fact I hope they are only a very small group—that the west is becoming too great a burden and that it would be a good thing for the east if they could get rid of the burden of the west. To us in the west that suggestion came as a great shock. We in western Canada have felt that we have suffered more than any other part of Canada through the tariffs and fiscal policies adopted by Canadian governments. The attitude of western Canada has been that the people of those plains were being exploited as no British people had ever been exploited before; but in spite of this, they never suggested that they wanted to break away from Canada or cease to be part of the Canadian nation. Now in the time of our need, to be told by some people in eastern Canada that they would like to secede from us, after the patience that we feel we have shown with the rest of Canada, comes to us as a great shock. In that connection I should like to read some words from the foreword written by Premier Patterson of Saskatchewan to the brief presented to the Rowell commission, which I think indicate the attitude of the people of Saskatchewan towards Canada and towards the disabilities under which we suffer. He said:

> We realize that confederation was established for the good of all Canada and that each province must be prepared to make its contribution to the common good. . . . We believe it essential that a united Canada should be maintained as a part of the British Commonwealth of Nations, and are prepared to devote every effort to that end.

That, I think, is the attitude of ninety-nine per cent of the people who inhabit western Canada. They believe in Canada as their country. But they say to their fellow Canadians from one end of Canada to the other, We expect to be treated as well as are the people in any other part of Canada. If, for example, we can show in connection with our educational system that we have not the money to bring up our young people properly and educate them as good Canadians, we expect you will do enough to enable us to maintain at least a minimum standard of Canadian citizenship; in other words, that you will not drive us down to a peasant level. That is the attitude the people of western Canada take, that all that is necessary is to lay the facts before the people of Canada, as is being done in connection with the Rowell commission, and then we have only to sit back and confidently expect that the people of Canada will do us justice. That is one of the reasons I intend to vote for the motion and against the amendment proposed by the leader of the opposition (Mr. Bennett). This government has given western Canada a chance to lay its grievances before a tribunal which will make a finding on those grievances, and thus some hope is held out that some of the disabilities under which we have suffered for many years will receive attention and redress.

I intended to go into some figures indicating how important western Canada is to the rest of the country, but I do not think I should do that here because I am sure that everyone in Canada, from the lumbering industry on the Pacific coast to the manufacturing industries of eastern Canada, realizes that the building-up of western Canada and the production of immense wealth there made a great contribution to the upbuilding of Canada as a whole. I might give one figure. The value of grain production in the prairie provinces in the twenty-seven years from 1910 to 1936 inclusive was $10,278,465,000. That in very large measure went to increase the wealth of the central part of Canada—goodness knows we do not have it now in western Canada.

A charge often brought against the people of western Canada is that their governments have been extravagant and that is why we are in our present difficulties. In answer to that let me say that so far as Saskatchewan is concerned, in 1929 when the government led by the present Minister of Agriculture went out of office the debt in Saskatchewan was only slightly over $63,000,000. It was one of the lowest per capita debts in the whole of Canada; I think only Quebec and Prince Edward Island had a lower per capita debt at that time than Saskatchewan. Since then we have had to spend vast sums on relief, to advance moneys that the banks had to pay in respect of pool guarantees, and other things arising out of drought and low prices for our products

which have increased our debt to almost $200,000,000 to-day. But I ask hon. members to remember that we provided our legislative buildings and everything we had in the way of capital equipment prior to 1929 with a debt of only $63,000,000, every cent of which was represented by actual physical assets in the way of public buildings, roads, bridges and so on. That hardly bears out the charge of extravagance. What has happened since has been no fault of ours.

Then we hear the charge that the people of the west are extravagant. Every farmer has a car! Well, some figures have been given here as to the kind of houses that most of the farming people in the west have to live in; I do not intend to deal with that. But I wish to give some figures bearing on this matter, and I hope I shall be pardoned if I take Ontario for comparison, because I do not wish to burden the house with too many figures. Comparing farmers in each case, I find that in Ontario the proportion of farmers having motor cars is 65·4 per cent. What about the extravagant farmers of Saskatchewan? Only 47·7 per cent of Saskatchewan farmers had motor cars. That was in 1931; since then of course the proportion of Saskatchewan farmers having motor cars will be very much less.

Then in regard to telephones, in Saskatchewan the proportion having telephones is 34·2 per cent, while in Ontario it is 54·1 per cent. If there is a place where telephones are needed it certainly is Saskatchewan. Just yesterday I received a letter from a doctor friend of mine in Rosthern, informing me that in a village about fourteen miles distant there was a woman very sick. Last year the municipality had a municipal doctor not very far away, but on account of their financial difficulty they could not keep him. In the middle of the night in forty below zero weather this doctor was called to attend that woman. They had trouble on the way with their snowmobile, and by the time the doctor got there the woman was dead. Such things are not uncommon occurrences in Saskatchewan where doctors live too far away to be obtained quickly. When we see our people forced through poverty to endure such things, is it any wonder that we come here and ask that you give us all the consideration you feel we deserve as Canadian citizens? Certainly we need telephones in Saskatchewan, but in 1931 only 34·2 per cent of the people had them.

Only 20·2 per cent of the farmers in Saskatchewan have radios; in Ontario the percentage is 21·5. Gas and electric light in the home—16·8 per cent in Ontario and only 2·8 per cent in Saskatchewan; piped water in the kitchen—10·4 per cent in Ontario and only 1·4 per cent in Saskatchewan. What, then, about this charge of extravagant westerners? As a matter of fact I was born and brought up in the west, and from what I know of the way our people live out there I say they live just as close to a minimum standard of living as any people in the whole of Canada.

I hope no one will object to my giving my next figures, but in doing so I have in mind some remarks made by some public men in Ontario. Take the figures in regard to the sale of liquor. In Saskatchewan in 1929, receipts from the sale of beer were $4,262,000. By 1934 they had decreased by about two-thirds, or to about $1,422,000. Receipts from the sale of hard liquor had decreased from $3,339,000 in 1929 to $840,000 in 1934. What has been the history in Ontario? In the year ended March 31, 1937, in Ontario I understand some $72,000,000 was spent on intoxicants. The gallonage of spirits increased by 71 per cent; of wine by 31 per cent and of beer by 211 per cent in a period of two years. In saying that I am not finding fault with the people of Ontario. If they want and can afford to enjoy their beer they are lucky; but I ask them, when finding fault with the extravagance of the people of western Canada, to remember that while they were drinking many times more beer than they were two years ago, our people were drinking just one-third as much.

What has brought about the position in which western Canada finds itself, if its people have worked hard and have not been extravagant either individually or in their government? Well, I wish to indicate in outline some of the reasons why we find ourselves in our present position.

In the first place we are in the centre of the continent. Practically everything we sell must be sold on the markets of the world. The price we get in those markets is brought back to us less the amount necessary to send those goods to market. Take wheat, for example. The average cost of sending wheat from Saskatchewan to the world market is about 35 cents a bushel. We get what is paid in the markets of the world, less 35 cents. On almost everything we buy we must pay the freight to bring it to us. For example, a person buying a cheap car in Ontario pays $124 less in freight on that car than we pay in Saskatchewan. In other words, we are caught in regard to freight in both shipping out and bringing things in.

If anyone is interested in this question of freight, a study of the Saskatchewan brief presented to the Rowell commission will indicate that in western Canada freight is charged

on a higher basis than in eastern Canada. In other words, freight seems to be based upon what the traffic will bear. In Ontario, with water transportation competing, the railroads have had to keep freight rates down. Our only protection has been the Crowsnest pass rates and if you study rates you will find that western Canada is paying more for freight than is being paid in eastern Canada, over equal distances.

Another thing that has injured western Canada is of course the tariff policy. Something has been said about the figures given by the present Minister of Labour (Mr. Rogers) before a commission investigating the matter in Nova Scotia. There is no question, I believe, in the mind of any thinking man but that the tariff must operate against the primary producer in western Canada. The price of everything he sells is fixed in the markets of the world, where he is competing with agriculturists all over the world. I do not care how low their standard of living may be, the western Canadian farmer has to compete with them. Then he is forced to buy the things he has to purchase in one of the most expensive markets in the world. That may have been all right, Mr. Speaker, when there was a vast amount of new land available which cost the farmer very little, but the time has come when the fact must be faced that the western Canadian farmer cannot bear that burden any longer. It may be all right to say that we need this protection in order to make sure that large profits can be made in our textile industry; in order that our automobile industry may have large profits; in order that we may pay large salaries to the executives of automobile concerns, and so on. If we could afford that luxury it would not be so important, but the time has come when the house must choose between not driving the western farmer out of existence and those other things I have mentioned. It is no longer a matter of argument; the western Canadian farmer has reached a point where, if you do not give him relief by way of reduction of tariffs he cannot carry on.

That is the question which must be faced by the house. Any study of the present position of the western Canadian farmer must lead anyone to that conclusion. Consider, for example, the load of debt. We had last year $525,000,000 approximately of private debt alone in Saskatchewan. There has been a reduction of that debt. That reduction in regard to mortgages and agreements has amounted to $26,000,000; in regard to taxes, $22,000,000 and in regard to relief write-offs, $31,000,000, or a total of $79,000,000. Then there was a reduction in 1937 under the Farmers' Creditors Arrangement Act amounting to another $3,000,000. Under private arrangement there was a reduction of about $1,000,000, and last year there were payments of taxes, debts and so on amounting to about $12,500,000. That means that we can deduct about $95,500,000 from that amount of $525,000,000. But last year we had interest on agreements for sale, mortgages and other debts amounting to at least $25,000,000; municipal tax levies totalling another $12,500,000 and relief advances of $15,000,000, bringing the debt, in spite of all that has been done by way of debt reduction, back to about $482,000,000, or $15 per acre on all the crop land. To have paid interest alone on this debt would have taken nearly two-thirds of the cash receipts from wheat available for sale in almost every year since 1930, and municipal taxes would have taken the rest.

Can anyone tell me, then, that we can carry on if we must bear one cent more of burden than we should be carrying? If we are to compete in the markets of the world our only hope is to say to the Canadian farmer, "You have a load on your back. You must compete with some of the lowest paid agricultural workers in the world, and the only way you can do so is by being enabled to buy the things you need in the very cheapest market." That is the situation, whether we like it or not, and if you do not want all the western Canadian farmers being forced to come east to try to get on relief in your cities you will deal with that problem.

As a matter of fact, what has happened in that very connection? Our natural increase, that is, the excess of births over deaths, in Saskatchewan from 1931 to 1936 was 70,000. Immigration to Saskatchewan during that period amounted to 3,500. What is the actual situation to-day? What do we find, after having had an excess of 70,000 births over deaths and 3,500 people coming into the province? There are less males in the province to-day than there were in 1931. We find that the actual increase, including males and females, was only 9,108. In other words, we find that largely of her native born sons and daughters Saskatchewan lost over 64,000. I ask people from the maritimes, Ontario or Quebec if it is a proper condition when we find that 64,000 of our best young citizens are driven out to seek their living elsewhere. That is what is happening in Saskatchewan.

Let us now consider the value of farm property. In 1921 the value of the average farm, with equipment, was $13,814, while in 1936 that value had shrunk to $7,185. The number of farms owned by those farming

them provides an interesting comparison. In 1911, 91 per cent of the farms in Saskatchewan were owned by those farming them; in 1921 the percentage had dropped to 80·5 per cent; in 1931, to 70·5 per cent, and in 1936, to 65·2 per cent,—and so it goes on. How long are we going to sit idly by and permit that condition to prevail?

Before leaving the question of debt reduction may I say that the present board of review operating in Saskatchewan has brought a measure of relief very much appreciated and very necessary to the people of our province. But it cannot keep up with the work coming in. I suggest that in order that it may perform that work at least one more board of review should be set up to deal with the accumulation of cases, and that it should act under the direction of the present chairman of the board. I know that people in other parts of Canada have found fault with the act. I would suggest that if people in Ontario or Quebec find the act is not working out satisfactorily in those provinces an amendment might be made whereby any province might exempt itself from its operation. Provision might be made in an amendment to the act whereby any provincial legislature might pass a resolution to the effect that that province need not remain under the act, and that thereafter it stand repealed in that particular province. I have no doubt as to the constitutionality of such a move, because in connection with the criminal code we find that different parts apply differently in different sections of the dominion. So long as we have jurisdiction to deal with the matter I submit there could be no doubt that we could make it apply in one province, and not in another

Mr. BENNETT: It came into force by proclamation in every province.

Mr. TUCKER: Yes, it came into force by proclamation in every province. As a matter of fact I believe there is provision in the act whereby, unless she desires, the act shall not apply to British Columbia.

Mr. BENNETT: And all the provinces are in the same position.

Mr. TUCKER: May I place before hon. members the history of interest in Saskatchewan. In that province we had mortgages bearing as high as ten per cent interest. Although it is provided in the Bank Act that banks shall not charge more than seven per cent we had banks closing their eyes to that provision and charging as high as nine per cent. I believe I noticed in the headlines of the papers as I was entering the building to-night that the banks have this year made half a million dollars in increased profits. I suggest that it be ascertained how much the banks have taken in interest from the people in western Canada, over and above the amount of seven per cent to which they were entitled, and that that amount be set aside to provide university scholarships for the children of the people they have overcharged.

We find that this year, the fiscal year 1937, the interest on the governmental debt of Saskatchewan will be $7,039,000, constituting the largest single item in the whole of the expenditures of that province. What can they spend on education? They can spend $2,876,000 —and yet they must spend $7,039,000 for interest. They can spend $5,169,000 on public welfare, but they must spend $7,039,000 for interest. To-day debt charges amount to 49 per cent of ordinary expenditures and 52 per cent of ordinary revenue. It is the considered opinion of the provincial government that they cannot service that debt, unless they get further help from the dominion.

I suggest that in view of the great increase in private, municipal, provincial and dominion debts, when suggestions are made for some improvements or some change in public financing they should be given consideration, and should not be dismissed as though the last word had been spoken in regard to carrying on matters of public finance. It may be that the last word has not yet been said on the subject. It may be that it is possible to improve on our present system. In the past we have had cases where people, in their day and age, took the attitude, "We are the people, and wisdom will die with us." They took the stand that there could be no improvement in what they had conceived, or what had been conceived prior to their day and age. I submit that in connection with this question, likewise it is possible to have improvement in our way of handling public finance. I suggest that if failure to solve the question of public finance is weighing the people down so that they cannot attend to education, so that they cannot attend to public welfare, then it is high time that we looked into the matter very seriously.

What is the situation with regard to education? Let us consider for example, the university of Saskatchewan. I have been told by more than one professor of that university that he has received offers to go elsewhere, on much better pay, but that he hated to leave Saskatchewan in her hour of need. If there is one thing more than another that we need in Saskatchewan, it is the best scientists Canada can produce to study the means to

cope with drought, grasshoppers, smut, and all other pests and drawbacks the western farmer has to meet. The best scientists should be in the university of Saskatchewan, but we have not the money to pay them and keep them. Their salaries have been continually reduced, and we are asking them to work for mere pittances.

What is the position with regard to children who wish to have secondary education? The government in the province has done the best it can. It has used the radio; it has set up correspondence courses and has tried to cope with the situation. The fact remains however, that most of the children in the province would like to have secondary education, but have not the money to spend in boarding in town or to pay the cost of reaching town.

Coming to the public schools we find that while in 1931 public school teachers received in salaries $6,695,000, in 1936 they received only $3,973,000. Those of us who live in Saskatchewan know of teacher after teacher who is working for no more than $300 a year. We know lots of them, young girls and young men, the finest Canadians one could find anywhere, who are teaching for less than enough to pay for board and lodgings and buy clothes for themselves, let alone books or magazines which would permit them to keep abreast of developments in education in other parts of the world. That is the way we are treating those people who are in charge of training the youth in Saskatchewan.

I suggest that it is highly dangerous to tell those teachers that all we can pay them for looking after our young people in Saskatchewan is sometimes as low as $300 a year. They hear, for example, that the dominion collects over $100,000,000 in income tax on a rate which is not high. They know, therefore, that there must be people in Canada who are receiving large sums of money from industry. They have heard about the textile inquiry; that five people each put $200,000 into a project and that those people got their money back, and in addition that during the thirty-one years that the project has been in existence they have each received an average annual income therefrom of over $97,000. They have been drawing that money right along, because they invested in a highly protected industry which used its tariff protection to overcharge the people. Some of them were prominent bankers. Perhaps they loaned credit to one another and invested no money of their own. The fact remains that they got their money back in about four years, and they have been drawing that average annual income ever since.

[Mr. Tucker.]

Put yourself, Mr. Speaker, in the place of a young woman out west whose duty it is to teach the children that this system of ours is fair and just; that the democratic system is better perhaps than the system they have in Russia or Germany; that it is fair; that it is the system the children should uphold and admire—a teacher who has an abiding conviction of the injustice and unfairness of the present system which practically condemns her to work for nothing, while other people, as she knows, on account of special privileges such as tariff policies are drawing money they have not earned in thousands and thousands of dollars. I ask, how can you expect her to have an influence favourable to our system on the children in her charge? When you mistreat in that way people who are in charge of the youth of the country, you can well expect that the young generation, when they grow to adulthood, will not have an abiding conviction in the fairness of democracy, and things may happen that we would shudder to see if we could only see them from this distance. The sooner we deal with that important problem the better for democracy in Canada. There is $900,000 in arrears of salary owing to these teachers, poorly paid as they are. Why? Because we have not the means of paying them. The government of Saskatchewan have struggled with that problem and the whole problem of carrying on our government under present conditions like veritable heroes as no one from another part of the dominion can ever appreciate, but they have not the financial means of dealing with it, and we in this house should take that into account.

I should like to deal shortly with the question of unemployment. There are many other things I should like to deal with, but I do not want to presume too long on the time of the house. In the information service for November, 1937, that was sent out by the national employment commission—this has been sent out, I suppose, to everybody, and so I am not guilty of any breach of confidence in reading it—I was surprised to find this statement:

> In dealing with the problem of unemployment certain preliminary but essential steps have been taken.

Preliminary steps!

> Relief has been "unscrambled" and clarified. Registration is revealing accurately the extent and nature of the problem.

This was in November, 1937. It goes on:

> The migrancy problem has been analysed and remedies suggested.
>
> Thus the way has been cleared for an attack on unemployment itself. The real problem of obtaining jobs for the employable unemployed, of which those on aid numbered 143,745, according to August registration returns, emerges. How is it to be met?

Now how is it to be met? Two years after our party finds itself in office, after declaring that unemployment is Canada's greatest national problem, we are apparently still asking ourselves, how is that problem to be met? This is what I suggest, and I make the suggestion not with any desire to criticize the government but simply to help as a member of the Canadian House of Commons. The policy of the government with regard to trade is gradually solving the problem of unemployment; but if after two years in office we find that there are 143,000 employables still out of work and on aid, then I suggest that we should do something, while long range policies are absorbing them into industry, to look after these young fellows, to give them a chance to make a contribution to our national development in the meantime.

I was amazed, "floored," as a colleague of mine said, in the words of Mr. Micawber, when the last speaker was making some remark, when I read in the interim report of the national employment commission, at page 14, these words:

> With the rapid improvement taking place in employment conditions in private industry, the commission decided to recommend that, at this stage of the recovery, not only should there be no expansion in public works programs, but that there should be a very substantial contraction in the total governmental expenditures for public works projects.

Mr. SPEAKER: The hon. member has exhausted his right to speak.

Some hon. MEMBERS: Let him finish.

Mr. SPEAKER: With the unanimous consent of the house.

Mr. TUCKER: I shall take just a few minutes, Mr. Speaker. It may be that recovery has proceeded so far in other parts of Canada that they need nothing in the way of public works to look after their unemployed; but, after all, we should take account of conditions in different parts of the country. I do not think anyone would suggest for a single moment that recovery in Saskatchewan has proceeded to such a stage that we do not need any help. What is the use of saying that recovery has gone so far that we need not do anything in the way of public works, when in Saskatchewan, for example, according to the figures given by the Minister of Labour (Mr. Rogers) yesterday, the total number of people on relief in Saskatchewan is 44·5 per cent of the total population of the province. We may perhaps expect that before this winter is over almost half of Saskatchewan will be on relief.

Take bank debits, which indicate the situation more or less. In the rest of the country I notice that bank debits have actually increased, but in Saskatchewan they have decreased to the point where they lowered the debits for the whole dominion below those of last year. I shall give the figures. Bank debits for the whole dominion were down last year $763,000,000 from 1936. There was a drop in bank debits in the prairie provinces last year of 25 per cent from the previous year. The reduction in bank debits for the whole prairie provinces last year, as compared with the previous year, was $1,678,000,000. Bank debits show the amount of money passing from the accounts in the banks. At a time of the worst drought in the history of Saskatchewan, with bank debits down in the prairie provinces over one and a half billion dollars, we are told by the national employment commission that recovery has gone so far that we should not have a public works program including Saskatchewan! I say that we have looked down our noses at, for example, Germany. We have praised democracy, and dispraised the system they have in Germany. Something I said in a speech before has been taken as an endorsation by me of Germany's militaristic policy, such was far from my thoughts. When I refer to Germany's method of dealing with unemployment I am not thinking at all about what she is doing in regard to militarism.

Mr. BENNETT: But it is a part of it.

Mr. TUCKER: Yes, it is a part of it, but to-day not only is Germany rearming on a scale unprecedented in the history of any European nation but she is embarking at the same time on a program of building roads and public buildings, and land reclamation, for farming purposes, on a scale that Germany has never seen before. If Germany, hemmed in by the problems which face her, and rearming on a scale the like of which probably no European nation formerly ever saw, can find the means for a really comprehensive building program, can construct buildings which will stand as monuments for all time to the Hitler regime, can proceed with a vast program of public roads, can carry on important land reclamation schemes—if she can do these things after going through a tremendous war and all that it entailed, why is it that we in the Dominion of Canada cannot handle our small unemployment problem? Why is it that we are content to tell these young people, year after year, "We are registering you, and our long range policies will ultimately take care of you?" We believe they will; I believe they will; but I say in the meantime, supposing it requires another two or three years to develop those policies, should we not give them a chance to do something for the development of their country in the meantime?

Goodness knows there is enough to be done. For example, take roads. In Saskatchewan we have a little over 2,500 miles of gravelled roads. Saskatchewan had less expended by motorists under tourist permits last year than any other province of the dominion—a little under a million dollars worth while Ontario had expenditures by motorists under tourist permits of over $101,000,000. It is the considered opinion of the Saskatchewan government that if we do not get help to build a hard surface road from the United States-Canadian boundary to our national park we shall not be able to do it ourselves for from fifteen to twenty years and thereby will not get a fair share of tourist business for that time. If we have an economy that is so ill-balanced, so dependent upon the wheat crops, should not this government do all it can to give us a better-balanced economy? Put through the trans-Canada highway as a hard surfaced road. Build a hard surfaced road from the United States-Canadian boundary to every single national park in Canada including ours. With 130,000,000 people to the south, and proper roads to travel over, those highways will probably pay for themselves in ten years. There is something at which to put our young people to work.

I am asked, how should we get the money? Thanking you, Mr. Speaker, for the indulgence you have extended in letting me go a few minutes beyond my time, I want to suggest a way to obtain the money to put these young people to work on national development programs. We have to-day in the Bank of Canada, according to the report of January 19, 1938, notes in circulation of $157,987,610. We have gold in the Bank of Canada of the value of $179,000,000. In other words, we have over a dollar's worth of gold for every single note that we have issued. It is regarded as sound financial practice to have a gold coverage of twenty-five per cent; that is so regarded, I believe, even by the Bank of England. But it is not good enough for some really sound money people in Canada; we must apparently have dollar for dollar of gold coverage. I suggest that with that amount of gold we have the right to issue on a sound money basis $718,000,000 worth of currency fully secured on a twenty-five per cent basis. We have $157,000,000 worth issued, which would leave $560,000,000 that we could issue to put our young people to work, to put the power of the nation behind the development of the nation, behind the youth of the nation. Does anybody suggest that that would not be sufficient to put them all to work? Does anybody suggest that it would not make a real contribution to the future of this country?

Take irrigation as an example. One of the reasons these irrigation schemes are turned down is that they are not economically feasible; the land will not be worth what you have spent on getting it developed. My answer is that irrigation should be looked upon as a matter of national development. We do not require that the harbours shall pay interest on the money we spend upon them. We do not ask that dredging works shall return the cost they involve. Why should we begrudge three or four hundred million dollars to open up a million acres of land whereon thousands of Canadians could make their homes in the future? By populating the country we reduce the danger of attack from outside by those who may say, "You are not making use of your resources; you have not the right to keep them." Would not the lessening of that danger alone help to make it really worth while?

It may be suggested that this would mean inflation. My answer is that if there is any danger of inflation as a result of issuing what is required of that money you can take power to increase the reserves required to be kept by banks in the Bank of Canada. By law they are required to keep only five per cent. The central reserve system of the United States requires banks to keep with the central reserve a reserve of twenty per cent. If the United States, with its vast wealth, has realized the need of doing something like this to prevent inflation when it increases its currency issue, Canada can do the same.

We cannot afford to take the attitude that we will not promote public works and take care of our unemployed, but will rely on long range policies and wait for time to work these things out. We should not debar these young people from making a contribution in the next two or three years to the future of Canada. In this way this government should consider putting to use the gold that is lying idle in the Bank of Canada. Put it to work to put our youth to work. What right has anybody to say that we should compel our fellow men to stagnate on relief because we will not move one iota, one jot from present financial policies? I submit that the time has come for action; that we should no longer consent to have these good Canadians remain out of work, deprived of the chance of making a contribution to the well-being of Canada, while in other nations the young people are being utilized, put to

national development work and encouraged to feel that they are making a real contribution to their own country. Canada still takes the attitude, in spite of all her vast resources: We cannot do it; we will wait for our long range policies to work out, and in the meantime these young people also have to wait, and wait, and wait.

I submit, Mr. Speaker, that this is one of our vital problems. This, and the solution of western Canadian problems, the lowering of the tariff so that we do not drive these people from the land—these are the questions which face this parliament in the year of our Lord nineteen hundred and thirty-eight.

Mr. E. E. PERLEY (Qu'Appelle): The mover and seconder of the address acquitted themselves, I think, very well upon their first attempt in this honourable chamber. Of course they endeavoured to give credit to the government for any improvement in Canada and particularly for any increases in trade. Supporters of the government are prone to do this kind of thing, and in doing so, to make comparisons between the years 1935 and 1937. In my opinion any credit for increases in trade and improvement in our general condition is due to the former government, and particularly to the United Kingdom agreement which was passed under that government, and if hon. members would go back and examine what happened in 1933-34 and 1934-35 they would find that a normal increase started at that time and that what we have had in the last year or so is only what might have been expected. I believe, however, that if the Minister of Finance (Mr. Dunning) would compare, as regards our trade with the United States, what happened in November, 1936, with what occurred in November, 1937, he would find something to give him cause for a little alarm.

We have listened during the last few days, and particularly to-day and yesterday, to some very interesting speeches. With reference to the speeches made by the hon. member for Moose Jaw (Mr. Ross), the hon. member for Melville (Mr. Motherwell), the hon. member for Winnipeg South (Mr. Mutch) and the one to which we have just listened by the hon. member for Rosthern (Mr. Tucker), as well as the references that have been made to the brief presented by the province of Saskatchewan to the royal commission on dominion-provincial relations, I do not believe that any greater evidence could be produced than is to be found in these speeches, of the failure of the Liberal party, both in the dominion and in Saskatchewan, since 1921.

I say that for this reason. From 1921 to 1930 the Liberals were in power in the federal arena, and since Saskatchewan entered confederation as a province the Liberals have been in control there except from 1929 to 1934, the most critical period in that province. In the federal field the Conservative party was in power from 1930 to 1935, another very critical period so far as the dominion is concerned. Apart from these two periods the Liberal party has been in control. Why then has it not done the things which these gentlemen tell us should have been done? They had an opportunity to do them. The hon. member for Moose Jaw, in particular, if he is so widely at variance with his party, might have moved an amendment or perhaps might have formed a new western party to bring about the results he would like to see attained. But he admitted that he had not accomplished very much here.

There are two or three paragraphs in the speech from the throne to which I should like to refer. The first is with reference to the proposed amendment of the constitution to provide for unemployment insurance. Had the government been as anxious, when they were in opposition, to see an unemployment insurance measure enacted and put upon the statute books as apparently they are to-day, when they would like to see all parties in the house in support of such a measure, we would have had an unemployment insurance scheme in operation to-day.

The next point to which I would refer is the reorganization of the Department of Agriculture. As we all know, agriculture is our most important industry. Production, processing and grading, and the marketing of our primary products—these are the all important things. The Department of Agriculture needed reorganization, and to prove that, I could go back to 1930 and quote the words of the then Minister of Agriculture, the hon. member for Melville. At that time he said that a new foundation would have to be laid for agriculture if we were to save the towns and villages of the west. I believe that some progress was made, certainly in the way of improving some of our products—cattle, bacon and certain other products that I could enumerate. Obstacles were removed and there was vast improvement during the period from 1930 to 1935. I am in accord with the Minister of Agriculture (Mr. Gardiner) in his efforts to reorganize the department in order to advertise our products and put them on the markets of the world in better condition. I am all for that.

Speaking on Thursday last, I believe, the Minister of Agriculture made one or two statements that were rather uncalled for and I am going to take a moment or two to correct a misunderstanding that was created. As reported at page 150 of Hansard, he said:

I had occasion to call attention to the fact that on every one of three occasions on which the former federal government came into Saskatchewan to deal with labour questions the result was that certain persons were taken to the graveyard, others to the hospital and still others to gaol.

In that statement he tries to place the responsibility for what happened with respect to certain riots which took place in Regina, and that responsibility he lays at the door of the federal government of that day. That is a wrong impression, for if any government is to be charged with that responsibility it is the government which was in power in Saskatchewan at that time—and the present Minister of Agriculture happened to be the head of that government as premier. His government at that time encouraged the rioters, the trekkers, to proceed to Ottawa, and when the order was issued prohibiting them from going further he took strong exception to it. In proof of that I would refer to the report of the commission that was set up to investigate the Regina riots. The report was released on June 16, 1936, by the Hon. Mr. Estey, acting for the attorney general. The finding of the royal commission is given, and the personnel of the commission is set out. I need not go over that. The commission's finding was to this effect. They declared the leadership of the trek to be definitely communistic. The commissioners found that the federal government was quite justified in halting the march at Regina, because it would have menaced the peace, order and good government of every town or city in which they stopped. The number of trekkers increased as they moved eastward, and had they reached Ottawa unopposed, "their number would probably have increased to at least 5,000," the report states. It goes on to say:

On arriving at Ottawa, unless their demands had been fully met, one can readily surmise the danger involved. It probably would have been necessary to call out the militia.

I submit, therefore, that the finding of the commission, appointed by the province of Saskatchewan itself to investigate the matter, establishes the fact that no responsibility can be laid at the door of the federal government of that time.

[Mr. Perley.]

Another paragraph of the report states:

In reference to disputes between the Saskatchewan and dominion governments over the right of the dominion to halt the trekkers in Saskatchewan and to assume full authority to instruct the police, it is not for us to pass judgment upon the validity of the protests made by the provincial government in either of the matters complained of.

The fact is that the provincial government appointed the commission, and the commission's report exonerated the federal government.

Mr. GARDINER: What did they say about stopping them before they reached Regina?

Mr. PERLEY: I have not the full report before me, but the report is very short. There was some discussion at the time.

Mr. GARDINER: They should have been stopped at Vancouver.

Mr. PERLEY: It was impossible to get a sufficient number of mounted police at that point to stop them and it was decided that they should be stopped at Regina. What about the cost? It cost Saskatchewan $30,000 odd to discover that the responsibility was not the federal government's. I have under my hand the journals of the provincial house for the session of 1937 and at page 206 I find set out the cost of the commission. These are the figures:

The Hon. Mr. Justice Brown, honoraria, $4,000.
The Hon. Mr. Justice Martin, honoraria, $3,000.
His Honour Judge Doak, $3,000.
His Honour Judge Doak, subsistence and travelling expenses, $1,617.
G. H. Yule, K.C., counsel to commission, $3,000.
L. Tourigny, counsel to commission, $3,500.
F. J. G. Cunningham, defence counsel, $4,500.
G. H. Yule, K.C., subsistence and travelling expenses, $1,100.
L. Tourigny, subsistence and travelling expenses, $1,326.

That is a total of $30,000 odd, and I might say that B. D. Hogarth, who put in an account for some $100 a day which I believe was disputed—there is no record of it here—is the gentleman before whom most people in Saskatchewan if they want a job with either the federal or provincial government have to run the gauntlet and get his o.k.

Now there has been some discussion concerning the functions of the Department of Trade and Commerce and the Department of Agriculture. I am not going to take time to

deal with that to-night; we may have opportunity to say something about it later. However, if Dean Shaw's report has done nothing more than bring a statement from the government as to the functions of these departments it will have served a useful purpose, for I think that should be set out and overlapping done away with.

Now I want to come to the conditions that prevail in Saskatchewan. The minister described the conditions there and I do not think he painted too dark a picture, because they are the worst we have ever had in that province. It is, I admit, a difficult situation to handle. There are practically 400,000 people on relief. Here again I want to join with other hon. members in expressing the appreciation of the people of Saskatchewan who are in that dire distress, of the splendid gifts of vegetables and fruit and goods sent from the east and the west. No language can express adequately our appreciation. The hon. member for Peel (Mr. Graydon) mentioned the fact that many farmers from Saskatchewan had migrated to Ontario. Many of those men and women are sons and daughters of the pioneer stock that settled in Saskatchewan; they are a fine type of agricultural people, and our loss of them will be Ontario's gain; I wish them all success. There is no doubt in my mind—and other hon. members have expressed themselves to the same effect—that Saskatchewan will come back.

The hon. member for Rosthern (Mr. Tucker) referred to-night to the wealth that has been produced in that province since 1920. That province has produced in the past and will in future produce more new wealth in one year than any other province in the dominion. I am not fearful of its future. In taking care of the situation that exists out there I will grant that the Minister of Agriculture—for it seems to be more or less his responsibility as far as this government is concerned—has a difficult task. He referred to the old relief commission system and the system in vogue to-day. I might explain for the benefit of hon. members who may not be familiar with it that from 1930 to 1934 the federal government approved the provincial government setting up a relief commission. The personnel of that commission I think was given here the other night, four business men and a woman representing the farm women of Saskatchewan, who by the way gave their services without pay other than living expenses, as the woman in particular had to come to Regina to live. They appointed as manager Mr. Daniels, and he set up a staff which was housed on the second floor of the Regina Trading Company building. I believe he did a good job. There has been very little criticism of it. He did it at a minimum cost to the government, and no farmer was asked to reduce his herd. The federal government had an auditor on the job who approved the accounts as they were passed by the provincial treasurer.

But in 1934 we had a change of government in Saskatchewan, and as the minister stated the other night, the new government dismissed the commission and since then relief has been administered through a department of the provincial government and the municipalities. I may say that in the last two years there has been nothing but criticism of that system, criticism with respect to political patronage, loss to the government and lack of fodder, particularly this year. If we compare the criticism of the commission managed by Mr. Daniels in the four years in which he was in charge I am sure there was not as much criticism in those four years as there has been in the last two months, December and January. The public press is a pretty good criterion, and a search of the press will prove this statement. The present government set up this new system. The Minister of Agriculture in his speech the other day, whether he intended it or not, gave an impression which is not correct. He said that the relief commission had employed 839 people, while they are now doing similar work with a staff of 45. I quote what he said as reported at page 155 of Hansard.

> I do think, with the system we have now under which this government is paying, when we are at the peak of our movement, forty-five men, our administration, in matters of cost at least, compares very favourably with the eight hundred and thirty-nine that the leader of the opposition had through the province in charge of relief at the time he was in office.

That statement leaves the impression that forty-five men are now doing the work that was done by 839. I made some inquiry as to the number employed under the former commission and I have a statement before me. The relief commission in 1930 to 1934 had at the peak about four hundred employees. Latterly the number was reduced to one hundred. It is estimated by those who are well informed as to handling of relief in Saskatchewan that the inefficiency of the present system and the lack of control are costing that province somewhere about $2,000,000 annually more than the cost under the other system. The public accounts of the province for 1936-37 show that the administration cost $450,000 for that year, and on top of that they were paying the salaries of over two hundred municipal clerks.

What have we to-day? We have in the Regina Trading Company a staff set up by

a branch of the Department of Agriculture; they are in the same building and on the same floor, the second floor, and there are just as many people pounding typewriters and clerks checking applications as there were under the relief commission managed by Mr. Daniels, besides which they are paying some two hundred municipal clerks about $100 a month, as I am told by one clerk who is drawing this salary, and he said it is common. But the minister would lead us to believe that forty-five men are doing this work. Forty-five men could not check the applications alone, and thirty men were not able to cut the cheese fast enough to get it distributed in order that there would be no demurrage to pay on the cars which were being unloaded.

I want briefly to compare the efficiency of the two systems. I do not care to dwell too long on this matter, but the minister made it an issue the other night. Under the management of Mr. Daniels in the previous three years, according to the public accounts there was a profit of $50,000. That is not a statement of my own; it is in the public accounts of the province of Saskatchewan. Then the system changed and the provincial government took over, under the direction of the Minister of Agriculture here to a certain extent, because this government was paying the bill. In the first four months, when they employed Mr. Gordon Brown to secure the seed and feed oats for them, they lost $300,000, and Mr. Brown received $4,500 for his services. It was admitted by this government last year, and it is admitted by the provincial government, that there was a loss of at least $165,000, and that loss was made the subject of a reference to the Turgeon grain inquiry.

Mr. GARDINER: May I ask the hon. gentleman if it is not a fact that the figure of $300,000 was only a paper loss at that time, and that $165,000 was the final loss?

Mr. PERLEY: The final loss is not yet known; the evidence given before the Turgeon commission in Winnipeg has not settled what the loss really was, and certainly it has not been settled as to what government is responsible. Mr. Gordon Brown is endeavouring to place the responsibility with the government or with Mr. McIvor or Mr. McFarland; it does not matter who, as long as Mr. Brown is not made the goat. The provincial government is endeavouring to make Mr. Gordon Brown responsible, and he does not propose to accept that responsibility.

Mr. GARDINER: The loss is $165,000.

[Mr. Perley.]

Mr. PERLEY: I said there was a loss of $300,000, of which $165,000 is admitted. This has been made an order of reference to the Turgeon commission. The balance was hidden, as the hon. gentleman has just stated, and covered up by profits made in some other way.

Mr. GARDINER: If I might be permitted to say so, there was no loss established at any time. The loss was calculated from time to time on the basis of the price of oats from day to day, and the final loss was $165,000.

Mr. PERLEY: Then there is a final loss admitted of $165,000, and I think if a proper search were made of the records and accounts it would be found that there was a further loss of $140,000 which has been covered up, and which could be uncovered if a proper opportunity were given.

However, Mr. Speaker, I was referring to the efficiency of the two systems. I have before me the journals of the provincial legislature of 1937. Take the matter of oats, and I am now referring to page 164 of the journals. Car number 242617 was shipped to Buffalo Gap. The cost of that car is given as $1,186.43, and the loss amounted to $693, or more than fifty per cent. There are several cars mentioned in connection with which I might give the particulars. Another one is car number 407470, shipped to Rouleau. This car was purchased from the Federal Grain Company and cost $864.32. On that car there was a loss of $361. Another car, number 196050, was purchased from the Searle Grain Company. That car cost $863 and there was a loss of $342. There are several such cars, showing losses in the neighbourhood of fifty per cent. That is how many of these losses were made, and I leave it to the house to decide which was the most efficient system. I think if the farmers were asked which was the most satisfactory there would be no question as to what they would say.

The minister made reference to the cheese, fish, beans, fruit and vegetables distributed in the west this fall. I think it was a splendid gesture on the part of the government to send those things to the people in the west from the people in Canada, and I have only two criticisms to offer. The first is that there was mismanagement in regard to shipping in the cars. They arrived in such numbers that the freight sheds of the railway companies could not handle and unload them. In the city of Regina, for instance, only one cartage company was used, the Regina Cartage Company, and by December 1 the demurrage on these cars amounted to $3,700. What the demurrage amounted to in all we may be able to find out some time later on.

I should like to make a reference to the distribution of the vegetables and fruit sent to the west. I have before me a letter from the clerk of two municipalities, a man who is well known to the Minister of Agriculture. I do not care to mention his name, since the letter is more or less confidential; but under date of November 6 this is what he says:

To date, two cars of apples, one car of carrots, one car of cabbage and one car of turnips have been shipped to Davidson for the two municipalities. Davidson is on the line between R.M. 252 and 253 and both offices are in Davidson.

Before the cars reached us, we were advised from Dr. Stapleford's office of the population of the two municipalities and also of the urban centres within these two municipalities. The letter also stated that, "The Minister of Agriculture, Hon. J. G. Gardiner, under whose department this is being operated, is anxious that practically one hundred per cent of the rural dwellers participate, those on relief, as well as those not on relief, and that residents of towns and villages should be covered where a real need exists."

Mr. GARDINER: May I ask what the hon. gentleman is reading from?

Mr. PERLEY: From a letter I received from the secretary treasurer of two municipalities. I do not care to have this man's name go on Hansard, but I shall be very pleased to hand the letter to the minister as soon as I have finished with it and he can read it for himself.

Mr. GARDINER: I think I saw all the circulars that went out, and I do not remember seeing any circular containing any statement such as that.

Mr. PERLEY: This is a letter from the secretary treasurer of two municipalities.

Mr. GARDINER: Telling you what he thought about the matter?

Mr. PERLEY: Telling me that he received a letter from Doctor Stapleford to the effect that the minister, under whose department this was being operated, was anxious that practically one hundred per cent of the rural dwellers should participate, those on relief as well as those not on relief, and residents of towns and villages as well. Then he goes on to tell how these goods were distributed on a population basis, three-fifths of a box of apples to each person; fifteen pounds of carrots, fourteen pounds of cabbage, fifteen pounds of turnips, and so on. Then in the last paragraph he says:

The idea of a general distribution to everyone makes a joke out of relief, as so many are taking it, not because of necessity, but because it is offered to them; and many who are in need of relief are not getting sufficient in the way of clothing and other necessities.

That is the criticism I have to offer. The amount given those who did not need it lessened the quantity that was given those who were in need and, as this gentleman says in his letter, quite a number of people refused to accept these articles for that reason.

The question of feed and fodder is one that I know has given the department a great deal of trouble. I am ready to grant that it has been a difficult situation, and the minister and his government have had difficulties in dealing with that situation. They have approved a policy of reducing live stock to a minimum. That policy was outlined by the minister the other night and I am not going to take time now to go over it again. I will say, however, that the live stock and dairy industry of that province has been struck a blow from which it will not recover for ten or fifteen years. The hon. member for Weyburn (Mr. Douglas) covered that matter very well the other night, and he did not set out the situation any too strongly, because it is very serious. Last fall we experienced a fire sale of cattle; the year before we experienced a fire sale of wheat. I may say that the injury, in particular, is to the small dairyman and cream shipper, not to the large dairyman. I was talking with a merchant in a small town who said he had received and cashed cream cheques amounting to about $200 or $300 per week. Those cheques were small, ranging from $1.50 to $7 or $8. Hon. members will see what it would mean to that district when the number of cattle is reduced to not more than four each person.

I have in mind one man to whom I have talked—I know him well—who in the last five years had built up a herd of seventeen cattle and was milking six or eight cows. He told me that his cows brought in revenue sufficient to cover his grocery and gasoline accounts. Another returned soldier told me that he had received enough to pay his grocery and gasoline accounts and his taxes from a small herd of twenty-nine cattle. All these men were forced to reduce the number to four.

It is not a question as to whether the feed was available. If action had been taken at the proper time, feed was certainly available. When I saw in the press the policy that was to be adopted I immediately got in touch by letter with the Minister of Agriculture, and with the provincial minister. I set out what I thought should be done, and suggested finally, that some system should be brought about, through organization in the municipality, whereby cattle would be shipped to the feeding ground in Manitoba. The municipalities could organize, and two or three hundred cows could have been shipped

from each one. I know that feed was available. Two of my tenants shipped stock there; one shipped six hundred sheep, and the other shipped all his stock, including horses and cattle. All are wintering there. Another man I know well shipped one hundred head to Gladstone, Manitoba, where they are being wintered. This man is well known to the Minister of Agriculture because he was a contractor who, from the government which held office prior to 1929, had received many contracts. He built bridges north of Wolseley across the Qu'Appelle river, and built an overhead bridge at Roche Percée. He went out to British Columbia this year, in company with his two sons and a nephew, and made money. One son told me that his father had drawn $12 a day all summer and that the boys had drawn $7. That man had one hundred and ninety head of cattle, and did not sacrifice one of them. They shipped three carloads, with free freight, to Gladstone, Manitoba, and are wintering at that point.

Mr. GARDINER: We paid the freight?

Mr. PERLEY: Yes, you paid the freight; I am glad the minister mentioned that. That man was no more entitled to free freight than the man in the moon. He had been a contractor all his years; he had built the bridge at Roche Percée. He had one hundred and ninety head of cattle, three cars of which he had shipped to market, and certainly was not entitled to free freight on the others.

One point I wish to make is that there has been discrimination. He was refused assistance from the municipality—

Mr. GARDINER: Mr. Speaker—

Mr. PERLEY: He was refused by the local inspector, but he went to Regina and got it.

Mr. GARDINER: May I ask a question?

Mr. PERLEY: My time is limited. The hon. member who spoke ahead of me had an hour, or more, and I have only a moment or two to finish what I have to say. I thought that inasmuch as the minister got a knock-out or so last night, he would probably be quiet when other hon. members from western Canada were speaking.

Mr. GARDINER: We will have another knock-out later.

Mr. PERLEY: If fifty thousand cows could have been saved to the dairy industry, and particularly the smaller dairymen, what would this have meant next spring when they were shipped back? Those cows would produce calves, and in addition produce valuable milk and cream next summer.

The minister made the statement that he would rather have feed there in March than in November or December or February. I can tell him that the fact that the feed is not there in these other months will render it unnecessary to have it in March. I have before me a number of newspaper clippings, but I regret that I have not time to read them.

Mr. GARDINER: Read them.

Mr. PERLEY: I should like to; I wish I had the time.

Mr. GARDINER: Read the last one.

Mr. PERLEY: The reeve of the municipality of Indian Head, for instance, states that the mortality there of horses will be 30 per cent. The mortality of stock in the southern part of the province—

Mr. GARDINER: It has not been five per cent to date.

Mr. PERLEY: The farmers of Grenfell, through the Grenfell board of trade, according to one newspaper heading, ask consideration for the dairy cattle in their district. Another heading states that there is a fodder and feed shortage in the province. Another states, "Horses dying in Kronau district."

I have dozens of these newspaper articles, but at the moment I have not time to read them. Certainly they supply proof that there is a shortage of feed for horses and cattle, and that stock is dying of—

Mr. GARDINER: I must ask the hon. member to read one of them, because I do not think the proof is there.

Mr. PERLEY: If you will allow me to adjourn the debate and give me the time which was taken by the hon. member for Rosthern (Mr. Tucker) but which was promised to me, as indicated in a note from your chief whip, I shall be pleased to read these articles to the Minister of Agriculture.

Mr. GARDINER: Go ahead.

Mr. PERLEY: I will move the adjournment of the debate, Mr. Speaker.

On motion of Mr. Perley the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 9, 1938

The house met at three o'clock.

PRINTING OF PARLIAMENT

Right Hon. ERNEST LAPOINTE (Minister of Justice—for the Prime Minister) moved:

That a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the standing committee on printing, viz., Messieurs Barry, Bertrand (Laurier), Casselman, Chevrier, Damude, Davidson, Denis, Douglas, Dussault, Elliott (Kindersley), Esling, Evans, Ferron, Fleming, Fournier (Maisonneuve-Rosemount), Gauthier, Green, Hansell, Hurtubise, Hushion, Jean, Kirk, Lapointe (Matapedia-Matane), Leduc, Lennard, Little, MacInnis, MacKinnon (Edmonton West), MacLean (Prince), McGregor, McIntosh, McKenzie (Lambton-Kent), McNevin (Victoria, Ont.), Marsh, Marshall, Mills, Moore, Mullins, Mulock, Mutch, Pinard, Purdy, Reid, Ross (St. Paul's), Ross (Middlesex East), Rutherford, St-Père, Taylor (Nanaimo), Thompson, Tucker, Tustin, Veniot, Weir, and Winkler, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Right Hon. ERNEST LAPOINTE (Minister of Justice—for the Prime Minister) moved:

That a message be sent to the Senate to acquaint their honours that this house has appointed the Hon. the Speaker and Messieurs Ahearn, Blackmore, Blair, Blanchette, Bonnier, Bothwell, Bouchard, Bradette, Brasset, Cameron (Hastings South), Casselman, Clark (York-Sunbury), Duffus, Emmerson, Fournier (Maisonneuve-Rosemount), Grant, Green, Hamilton, Hyndman, Johnston (Lake Centre), Kuhl, Lennard, MacInnis, MacKinnon (Edmonton West), MacLean (Cape Breton North-Victoria), MacLennan, MacNeil, Macphail (Miss), McCallum, Mallette, Martin, Moore, Mutch, Parent (Quebec West and South), Raymond, Reid, Rennie, Ross (St. Paul's), St-Père, Spence, Walsh, Winkler and Young a committee to assist His Honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Right Hon. ERNEST LAPOINTE (Minister of Justice—for the Prime Minister) moved:

That a message be sent to the Senate to acquaint their honours that this house has appointed the Honourable the Speaker and Messieurs Barber, Bertrand (Prescott), Fafard, Fraser, Gray, Hill, Landeryou, MacInnis, MacMillan, Macphail (Miss), Moore, O'Neill, Pinard, Purdy, Rhéaume, Roberge, Sinclair, Spence, Taylor (Norfolk) and Tustin, a committee to assist His Honour the Speaker in the direction of the restaurant, so far as the interests of the Commons are concerned, and to act as members of a joint committee of both houses on the restaurant.

Motion agreed to.

DIVERSION OF WATER

EFFECT OF BOUNDARY WATERS TREATY WITH UNITED STATES RESPECTING DIVERSION FROM LAKE MICHIGAN

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): May I ask the government a question based upon a brief dispatch that appears in to-day's Toronto Globe and Mail, dated Washington, February 8:

Claims Canada Waived Water

Cleveland A. Newton, general counsel for Mississippi Valley Association, emphasizing navigation and sanitation reasons for diverting 5,000 cubic feet of water a second from Lake Michigan through the lakes to the gulf waterway, urged approval of the Parsons bill.

He dismissed the international question with the contention Canada conceded in a 1910 treaty the United States right to divert Lake Michigan water.

The question is: Is there an international treaty of 1910 between Canada and the United States in which Canada waives any rights pertaining to lake Michigan water?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend is an older man than I am and he ought therefore to know the terms of the treaty to which he refers better than I do. I cannot tell him offhand if there is in the treaty any provision capable of the interpretation he speaks of. I should be surprised to learn that there is.

PARLIAMENT HILL

QUESTION WITH RESPECT TO ICY CONDITION OF GROUNDS AND SIDEWALKS

On the orders of the day:

Hon. FERNAND RINFRET (Secretary of State): With reference to the observations made yesterday by the hon. member for Broadview (Mr. Church) with respect to the icy condition of the grounds and sidewalks on parliament hill, I may say that in 1934, by order in council P.C. 865 of May 21, the care of the grounds, driveways and walks around parliament hill was transferred to the federal district commission and the attention of the commission has been called to

the hon. member's remarks. I may add that one must make allowance for the exceptional weather conditions which have prevailed during the last few days.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, February 8, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. E. E. PERLEY (Qu'Appelle): When the house adjourned yesterday evening I was about to quote from press reports from Saskatchewan with respect to stock mortality. I was invited to read some of the reports and I shall now take a moment or two to review some of them. I have before me an extract from The Indian Head News of December as follows:

Stock Mortality Matter of Alarm in Municipality

Actual Facts Show that Hundreds of Horses Succumb

Deaths among farm horses of this municipality run into the hundreds, due to lack of feed, . . . The situation is acknowledged as extremely acute by the R. M. council, . . .

Reeve S. W. Nichols, in touch with the actual situation, informs The News that the rural council is doing all it can to cope with the problem. The mortality rate is very high among the district's horse population, with some farmers losing over fifty per cent. One farmer, he told The News, had lost four out of seven of his horses.

Another one from the Regina Star of December 1 reads:

Horses Dying in South for Lack of Feed

Snow and Steady Diet of Russian Thistle Proves Fatal to Animals

Notices in post offices and other public buildings stress the necessity of disposing of stock owing to the acute shortage of feed. Farmers are being requested to budget their feed quota and dispose of the surplus animals lest the retention of live stock result in heavy losses this winter.

Lack of feed has already brought reports of horses dying in the south country.

Among the cases cited is that of Elmer Mithog of Verwood district, 70 miles south of Moose Jaw, who has lost eight horses . . .

Last night I referred to a resolution passed by the Grenfell board of trade and I wish to quote more extensively from it now:

And whereas the dairy farmers themselves, as well as the businessmen, of the town of Glenfell view with alarm the apparent necessity of cutting down the size of their herds fully realizing as they do that many of them will be forced upon public relief while at the same time their herds will have been cut to such an extent that in many cases it will be impossible to rebuild them again during the farmer's lifetime:

Now therefore be it resolved that the government of the province of Saskatchewan, in view of the alleged supply of feed within reasonable transportation distances of the province, should forthwith take such steps as are necessary to insure the dairy farmers of sufficient feed for their herds for the winter of 1937-38.

After this resolution was passed, a letter from the Broadview board of trade was read asking for support along those lines.

Another dispatch by the Canadian Press reads:

Thirty Per cent of Horses in Southeast Dead or Dying

Saskatoon, January 8.—Thirty per cent of the horses in the Macoun, Midale, Halbrite and Goodwater districts in southeastern Saskatchewan are either sick, dying or dead of starvation.

Another dispatch states:

Horses Dying in Kronau District.

Mr. DONNELLY: Who is responsible for the report from Midale?

Mr. PERLEY: That is a report in the press, issued by the United Farmers of Canada, Saskatchewan section.

Mr. GARDINER: What is the date?

Mr. PERLEY: The dispatch is dated January 8. I have another one which is a little different, and it may explain why feed was not secured earlier:

Farmer Charges Deliberate Delay in Hay Payments

Charges that the Saskatchewan administration was deliberately holding up payment for hay sold for relief purposes to that government by Manitoba farmers, was made to the Free Press Friday by F. G. Louth, a farmer of the Roseisle and Stephenfield districts, who, at present, has a government hay deal on his hands.

In a letter to the Minister of Agriculture of Saskatchewan, dated December 23, Mr. Louth warned that, unless some action was taken for payment of hay delivered from the Stephenfield district to the drouth area about two months ago, following inspection by Saskatchewan agricultural representatives, the matter would be taken up with Premier King and the federal Department of Agriculture.

Investigation by Mr. Louth, he says, reveals that many other farmers are in the same position, and he openly charges that the Saskatchewan government is "stalling" in order to save interest on funds.

Despite the fact that his cars of hay were inspected by a government official, and the bills of lading forwarded with the cars to the various points in the dried-out areas, continued requests have been made for further bills of lading, and these were forwarded. Then, the "stall" continued, according to Mr. Louth,

when the government officials demanded originals, which had already been sent with the cars. . . .

Later, a request for weights was made, which had gone forward with the cars.

The weights had already been supplied.

Dealing with a government, I figured I was dealing with a body I could count on. . . . Consequently I paid out $140 for baling and loading. Exactly what the trouble is I do not know. . . .

Mr. GARDINER: Will my hon. friend give the date?

Mr. PERLEY: It is the Winnipeg Free Press of December 27. One cause of the difficulties the government had is the fact that a lot of the hay secured for the winter of 1936-37 was not paid for until late this fall. As late as December last farmers and municipalities in Manitoba were complaining that the hay they had supplied had not been paid for, and they refused to ship more hay until the government had paid for that previously supplied. That is no doubt one of the difficulties. I know the reeve of one municipality who went to Manitoba and was told by the reeve of a municipality in that province that several thousand dollars were owing to the municipality for hay shipped during the previous year. The whole matter should have been handled by an independent relief commission. If that method was not followed the government should have considered accepting the offer they received from the pool, of which mention has, I think, already been made. I have before me a statement of the president of the Saskatchewan pool, citing what they offered to do. The pool offered its facilities to the provincial government, and in cooperation with the pools in the provinces east and west to secure supplies and distribute them, and practically all the government would have had to do would be to set the price. The pool offered their facilities at a minimum fee of seventy-five cents a ton plus 3 per cent interest on cash outlay. I know what the answer of the minister to that will be, because the president of the pool sets out in this statement that he replied that there was nothing to prevent the pool from going into the fodder business if they so desired. But that was not the question. Under the present system we have the inspectors to whom the Minister of Agriculture (Mr. Gardiner) referred the other night; I think the forty-five he mentioned were inspectors. If the farmers there were asked what they think of these inspectors the report would be a very interesting one.

If my time were not so short I should like to have referred to the Turgeon commission. However the report of that commission will be presented in due time and I shall have something to say then with respect to the evidence taken, particularly that of Mr. Murray, and some of his actions. I agree with the hon. member for Melville (Mr. Motherwell) in what he said yesterday, that the great majority of farmers are demanding that the Canadian Wheat Board Act be put into operation, with representation of the farmers on an advisory committee. No matter what the report is I think that will be demanded. Last year I referred to certain losses that had taken place. I now have reason to believe that the figure I gave was well within the mark and that I should have stated a larger figure. If in the report on the final disposal of the wheat taken over from the McFarland board or the Cooperative Wheat Producers Limited a profit is shown, the Cooperative Wheat Producers Limited should be reimbursed to some extent for the services they rendered during three or four years.

After listening to speeches of some hon. members opposite in the last few days I am confirmed in my view that the Liberals have failed and have betrayed the people of Canada. We need reforms. Why are we to-day considering the amendment of the constitution? Because we are now in the year 1938 and the problems confronting the Canadian people to-day are not those that confronted them fifty years ago. To-day we are concerned about such matters as debt, public and private, interest, taxes, freight rates, production and marketing. What we need is dominion control of the grading and marketing of Canada's primary products in order to control the price in the domestic market. Agriculture is our greatest industry; then why not have boards to control it? We have a board controlling the railways, a board of directors controlling the central bank, power boards and the radio corporation, on which some discussion has already taken place in the house.

With respect to the latter corporation I have received protests from people in my constituency and other parts of Saskatchewan against the increase in the licence fee. There are hundreds, yes, thousands of farmers in Saskatchewan who have no other enjoyment these long winter evenings than listening to the radio broadcasts, music, hockey, sports, and getting the world's news daily. These men cannot even pay for a weekly paper, let alone a daily, so it is a great convenience

for them to get the news of the world by radio, and I think their protest against the increase is valid. I for one would be in favour of abolishing the licence fee altogether for a time at least. We have these various boards; why not have a board to control wheat and other primary products? Later on this session we shall have opportunity to discuss these questions in detail when they come before us in the form of resolutions or bills, and I shall have some questions to ask.

Briefly, in conclusion I say that the government have failed in many respects to meet the demands of the Canadian people, and to relieve the people of the burdens under which they labour at the present time. I propose to vote for the amendment.

Mr. ROSS (Moose Jaw): Before the hon. member finishes might I ask him what he means by the proposed charge of seventy-five cents a ton by the Canadian wheat pool on feed? Do I understand that he means that they offered to bale and deliver feed for that price?

Mr. PERLEY: I thought I made it plain enough; the offer was that they would place their facilities at the disposal of the government and use them for the purpose of purchasing feed, arranging for the baling, shipping and distribution to the farmers in the dried out area at the rate of seventy-five cents a ton. As the question has been raised I would say further that we would like to know the commission that was paid to some individuals in Regina for their services in going to Minnesota and gathering up this feed, rather than having it handled through the pool on the offer they made. They offered to do this for seventy-five cents a ton.

Mr. GARDINER: Anyone would do it for fifty cents.

Hon. W. D. EULER (Minister of Trade and Commerce): Mr. Speaker, may I join with those who have preceded me in this debate in complimenting the mover and the seconder of the address in reply to the speech from the throne for the able manner in which they discharged the duty which was committed to them.

It is not my purpose to discuss in detail the matters mentioned in the speech from the throne. As I propose to confine my remarks chiefly to matters concerning the Department of Trade and Commerce referred to in the debate, I am sure the hon. member for Qu'Appelle (Mr. Perley) will not take it amiss if I do not follow him in the matters which he discussed just now. He did raise some points in the latter part of his address which might call for some comment, but perhaps it would be better to leave that to a more convenient occasion.

In the speech of the right hon. leader of the opposition (Mr. Bennett) reference was made to the functions or respective jurisdictions of the Department of Agriculture and the Department of Trade and Commerce. He expressed concern that there was perhaps some overlapping or possibly even differences of opinion with regard to the matter. Then at the last, in a somewhat jocular vein, he added that my colleague the Minister of Agriculture (Mr. Gardiner) was in possession of some sort of magic wand with which he might wave some of us, and perhaps particularly the Minister of Trade and Commerce, into nonentities. That, I think, is the word he used.

Mr. BENNETT: Not "nonentity", I think.

Mr. EULER: That is the word that was used, but I am quite willing to use some other suitable word. Perhaps "oblivion" would be better.

Mr. BENNETT: Perhaps coming events cast their shadow before.

Mr. EULER: In reply to that, and in exactly the same spirit as that of the right hon. gentleman at the moment, and perhaps also at that time, I would merely say that the practice which existed under the former regime of one minister interfering in the department of another, or perhaps I should say one prime minister interfering in all the departments, was discontinued shortly after the election of 1935.

Mr. BENNETT: I can afford to let that go without an observation.

Mr. EULER: My right hon. friend has quite correctly said that the functions of the Department of Agriculture and of the Department of Trade and Commerce are controlled by the statutes under which those departments operate. The Prime Minister (Mr. Mackenzie King) in his speech on the address described pretty accurately the line of demarcation which separates the functions of the two departments when he said that the Department of Agriculture concerns itself with the production, grading and preparation generally of agricultural products for the markets of the world, seeing to it that those products reach those markets in the proper condition; but that after those products reach the overseas market the work of promoting their sale, as well as the sale of other products, falls strictly within the domain of

the Department of Trade and Commerce. That, sir, has always been the case, and I can assure my right hon. friend and those other members opposite who expressed some concern with respect to the matter that this situation will continue. Not only that, Mr. Speaker; perhaps in contrast to the condition of affairs prior to the coming into office of the present government, it is the intention of the two departments to cooperate in every way to promote the interests of the producers of agricultural commodities.

Mr. BENNETT: The Shaw report looks like that.

Mr. EULER: I propose to-day to deal particularly with the various phases of the export trade of this country, more especially with regard to the value of that trade, which seems to be questioned by certain members of the house, including my friend the right hon. leader of the opposition, especially when he said—I am sure to the amazement of this house—that freer trade was apt to predispose nations to war. That is a doctrine that so far as I know has never been enunciated by anyone else.

Mr. BENNETT: My hon. friend has not read Mr. Keynes, then.

Mr. EULER: Perhaps not, but I am using my common sense in these matters, and I am very sure that hon. gentlemen opposite, as well as the supporters of the government on this side of the house, believe in their hearts that the more business we can do with our neighbours in a mutually advantageous way, the better it is for the peace of the world. I need only draw to the attention of the house one very outstanding example which disproves this new theory, which by the way has obtained the support of a new ally in the person of the leader of the social credit group, that freer trade fosters war. For the last two years we have had a reciprocal trade agreement with the United States, and I will leave it to the people of this country to say whether in the whole history of this continent the relations between the two countries were ever any more cordial than they are at this moment. It is fair to say also that a great deal of credit attaches to the efforts made by the Prime Minister of Canada and the President of the United States in this direction.

My right hon. friend, as I said before, seemed to question, very much to my surprise, the advantages of export trade.

Mr. BENNETT: Pardon me, Mr. Speaker; he did not question the value of export trade at any time. What he did say, and he repeats it, was that it is not a cure for the conditions that exist in this country.

Mr. EULER: I am very sure that that statement came from my hon. friends in the far corner and not from my right hon. friend, but I quite agree with it. This government, or the supporters of this government, never advanced the thought that by the extension of export trade, by trading more with the countries of the world, we would find a panacea for all our ills, social or otherwise. I do not believe that. I do believe, however, that the promotion of export trade is a mighty factor in bringing prosperity to Canada or any other country.

Mr. BENNETT: Hear, hear.

Mr. EULER: My right hon. friend is now consistent with what he said in the city of Montreal, I think in the year 1933, when he was given a banquet by the board of trade of that city upon his return from Great Britain. He said then, and I shall not give the full quotation because I do not desire to embarrass him—

Mr. BENNETT: Go on; do not stop on that account.

Mr. EULER: He said then that export trade was vital to the prosperity of Canada—and now I will add the other—and that he did not believe this country could afford to experiment with shorter hours of labour and higher rates of pay.

In connection with his fear that export trade would promote war, the right hon. gentleman mentioned cut-throat competition, presumably suggesting that this competition would lead to ill-feeling and thoughts of war. This government does not believe in promoting cut-throat competition. It proceeds entirely on the theory that when it makes a trade agreement with another country it is not following the principle of trying to get the better of those with whom it is dealing but rather that it should make an agreement that will be mutually satisfactory. That is the only kind of agreement that can possibly be of lasting value.

We have heard the argument—I think it comes from our friends to the right, and some newspapers have been advancing it—that the only export business in which we should engage is that by which we export those things of which we have a natural sur-

plus and import those things which we do not produce ourselves, or do not produce to advantage. I have no particular fault to find with that argument. I think that is exactly the line upon which we are proceeding to-day. With our great natural resources, Canada must be a trading nation. With our resources of the farm, the forest, the mine and the fisheries we produce a great deal more than we can possibly consume at home. What would happen to our population if the men now engaged in farming, the thousands of men engaged in our mines, those employed in cutting timber in our forests and sawing it into lumber in our mills, our fishermen in Nova Scotia and British Columbia, found that because we could not sell our goods they were out of employment? So I say that in a country such as this, where we have great natural products, upon which are founded other industries as well, it becomes an absolute necessity that we find markets in other countries, because of our surplus products.

The complement of that, of course, is that if we expect to sell these goods in other countries we must also expect to buy, and we do buy. We do not produce cotton, rubber, tea, coffee, spices, or even sufficient iron or petroleum, among many other things, and of necessity we are obliged to import these into Canada. But as a general thing I think it is true that Canada is producing, and not importing to any great extent, the things it is best equipped to produce. She exports the surplus, and imports the things I have mentioned.

In developing export trade, this government, as did the previous government, has had to contend with a great many obstacles. Unfortunately, soon after the war, and perhaps more particularly in the last seven or eight years, certain countries, especially European countries, in order to prepare themselves and to make themselves self-sufficient in the event of another war, have tried to produce some of the goods which we sold them formerly. To a very great extent our wheat market in continental Europe has gone by the board, and we have been reduced to the necessity of selling our wheat largely in Great Britain. So, in order to bring about what might be described as an equilibrium of trade, whereby we can sell our goods to other countries and in turn receive commodities from those countries, we have found it necessary to try to arrange trade agreements.

What do we find to-day? Not only are there high tariffs against us but, what is perhaps even worse so far as obstructions to trade are concerned, we have exchange control by which a citizen, we will say of Germany, might desire to buy a Canadian commodity, but cannot do so because he is not permitted to send money out of the country.

Then, we have to meet the system of quotas, as it is found in Switzerland and some other countries, which brings about an absolute limitation upon the quantity of goods which may be imported into that country. We meet also government monopolies, which operate in the same way. Thus, if we desire to establish markets in these other countries, and not be at a disadvantage with our competitors, it has been necessary for us to arrange trade agreements.

I believe we have been fairly successful in this endeavour. Perhaps some credit belongs to the previous administration because of some of the trade agreements they made. I do say however that we have been successful in promoting a very heavy export trade. As hon. members are no doubt aware, Canada now holds fourth place among the countries of the world in the value of her export trade. Our foreign trade, both buying and selling, is over two billions of dollars, and we had a trade balance—perhaps this is more interesting to the right hon. the leader of the opposition than it is to me—of some $315,000,000 in the past year.

Although I have not the exact number, nearly thirty such agreements have been consummated. We hope to make additions to that number. There has been difficulty in getting into the markets of some of the smaller countries in eastern Europe, and at the present time negotiations are proceeding with respect to them.

I should like to discuss for a few moments a question which has been raised by certain hon. members, namely that of the value of the policy of freer trade. The statement has been made, and perhaps more particularly by our friends to the right, that the recovery Canada is experiencing is not attributable to government policy, but is merely something which is occurring in all other countries. Their suggestion is that all other countries are recovering, and that Canada is sharing in this general advance. I am afraid that suggestion does not hold good when it is submitted to the test of fact. For the information of hon. members in the corner of the house may I place upon Hansard a few figures. In 1935 the increase in world exports was only 2·2 per cent, while the increase in Canada's

exports was 7·1 per cent. In 1936 world export trade increased 8½ per cent, while Canada's export trade increased 23 per cent.

Again let us consider our agreement with the United States. Our exports in 1937, over those of 1935—I am taking the period in which the agreement operated—increased 28·2 per cent. I would ask hon. members to consider a further point of first-class importance in judging whether or not the trade agreement had anything to do with the increase in our exports. The increase in exports of products to the United States, on which the tariff was reduced as against Canadian goods, was in those two years 80·8 per cent. On those items which were already free, and which were bound so that the United States could not increase the tariff, the increase was 46 per cent. Those facts become really significant when I say that the increase with respect to items not covered by our trade agreement with the United States was only 7·1 per cent. If that is not an absolute proof that we profited, so far as exports were concerned, by our agreement with the United States, I know of no better method.

Mr. BENNETT: May I ask a question, without disconcerting the minister?

Mr. EULER: Yes.

Mr. BENNETT: The minister must realize, I think, that the items which were not affected by the agreement at all, namely, those which were free and on which there is no change in the tariff, are responsible for the greatest part of the whole increase. All you have to do is to count them, as I did the other day.

Mr. EULER: I will not make that concession.

Mr. BENNETT: Well, all you have to do is to count them.

Mr. EULER: As a matter of fact, in those two years our exports to the United States increased from $359,000,000 to the huge total of $470,000,000.

Mr. BENNETT: Correct.

Mr. EULER: Then, we received another advantage, through our trade agreement with the United States. Of late that country has also established the practice of entering into trade agreements with other nations. In our present trade agreement with the United States there is a clause giving to Canada what is known as most favoured nation treatment. I need not explain the meaning of that term more than to say that the practical result is that if the United States makes a trade agreement in which she gives concessions to other countries, Canada automatically receives the same concessions. Of course, that is reciprocal and applies also in the event of our giving most favoured nation treatment to other countries.

I might give another example to show where trade agreements have been beneficial. Something over a year ago we made a trade agreement with Germany. Through that agreement our trade with Germany has increased almost one hundred per cent during the year in which it has been in operation, namely from $6,759,820 to $11,771,565.

Mr. BENNETT: Perhaps the minister would tell us what the exports were; that would be very interesting.

Mr. EULER: Yes, I think I can give my right hon. friend the list, although I have not the complete list in front of me. I was going to come to that later; I will deal with it in a moment or two. I thought I might be interrupted with a statement that the exports to Germany consisted of metals and raw material, and other articles to be used in the preparation of war munitions. It is true that when the agreement was made the German representatives did wish to import into their country more of the raw material, including metals and some others, which they did not produce. But we did not agree to make that kind of arrangement. We insisted, and succeeded in having Germany agree to our stipulation, that 63 per cent of the credits which she will allot for the purchase of Canadian goods must be in the form of other goods, such as wheat, and, to a great extent, other agricultural products.

Perhaps I should give my hon. friends opposite some credit for the arrangements which were entered into with Australia and New Zealand. Our agreement with Australia has been renewed and slightly modified and during the last year our exports to that country increased to something more than $30,000,000.

I should like to deal for a few moments with another criticism to which I have just made casual reference, to the effect that the increase in our export business is due largely to the export of commodities which go into the manufacture of munitions. That is not the case. It would be idle for me to deny that with the speeding up of rearming in Great Britain and other countries there has been some effect upon the exports to those countries, but the exports for munition manufacturing purposes are not by any means the chief factor in the increase of our total exports.

Let me try to give some proof of that statement. Our agricultural exports did drop last year, due almost entirely to the fact that we had a drought in western Canada and made only a small exportation of wheat. Our exports of animal products increased from $97,000,000 in 1935 to $144,000,000 in 1937. It can hardly be said that that increase was due to demands for munitions purposes. The exports of wood and paper products increased from $176,000,000 to $263,000,000. There again it can be said that the increase was not due to munitions needs. It might be said ordinarily that iron and steel products would be used for this purpose, but as a matter of fact our exports of iron and steel products consisted largely of farm implements, machinery and automobiles.

As I mentioned a moment ago, in this two-year period our exports to the United States increased from $359,000,000 to $470,000,000. The United States were not concerned to any great extent in the making of munitions in those two years so that one can hardly attribute this increase to munitions manufacturing. Perhaps at this point I could give my right hon. friend the list of commodities which we export to Germany that he asked me for. The sixty-three per cent of the exchange which is allotted by the German government for the purchase of Canadian goods must be in wheat, asbestos, apples, seeds, lumber, fish meal, salmon, wood pulp and a number of other minor articles. I submit that none of those articles can be said to be used in the making of munitions.

I should like to say a few words with regard to nickel, perhaps a dangerous subject. It seems to be the general impression that our exports of nickel are used entirely for the building of war vessels and making of munitions generally. That is not the case. Some hon. members of this house, certain newspapers and organizations and many citizens of Canada have advocated that Canada should prohibit entirely the export of nickel, especially to those countries which are at war at the present time. I will not yield to anyone in or out of this house in my abhorrence of the outrages that are taking place in countries which I need not name. If, by the total prohibition of the export of nickel and some other commodities, it would be possible to stop the wars in which certain countries are engaged, I would be entirely in favour of such prohibition. That may be a compliment to the hearts of the Canadian people, but I question if upon further consideration it would be considered as a compliment to sound reasoning.

[Mr. Euler.]

I desire not to be misunderstood on this point. I would not advocate for one moment that because we can make money out of the export of nickel we ought to be willing to export something which might cause the shedding of blood of innocent people with all the horrors attending modern warfare. Let us examine the matter for a moment. In 1910 the total world production of nickel was 25,000 tons. In 1916 and 1918, the war years, this production had risen to 52,000 tons. In 1921, the war being over, it had dropped to 9,100 tons. Then in the succeeding eight years up to 1929, when there were no wars and no great preparation for war, it rose to 62,000 tons, greater than it had been even during the war years.

The fact is that the companies in this country which produce nickel finding that that there was no longer a war demand for their product began extensive scientific researches, the result of which was that this metal was adopted for a great many uses other than for war purposes. Canada produces about ninety per cent of the world's nickel, the other ten per cent being produced largely in New Caledonia, one of the colonies of France on the other side of the world. I have it on very good authority that of the total production of nickel, only ten per cent, or perhaps a little more at the present time with all the war preparations, is used for munitions purposes. Therefore even though we discontinued entirely the sale of nickel there would still be sufficient produced in other parts of the world to supply war needs.

What would immediately follow would be a greater development of fields which are now not profitable to work in competition with the cheaper production in Canada. Substitutes would be discovered immediately, as was the case in Germany during the war. Perhaps I should not say this, but I may as well be frank. Should this country prohibit the export of nickel to Japan, unless the same prohibition were applied to exports to the United States, to Sweden and to other countries, there would be no doubt that nickel would reach Japan just as though it had been exported direct from this country. Perhaps I might offer this final observation. Those of us who have seen the stupendous and humiliating failure of the League of Nations in applying sanctions in the case of the Italo-Ethiopian war perhaps would hesitate before committing Canada to experimenting with sanctions on her sole account.

With the facts I have given to the house I think it may fairly be claimed by the government that at least some of the ex-

pansion in our export trade is attributable to the trade policies followed by this government.

I should like to make reference to certain statements made on Monday by my very good friend, the hon. member for Davenport (Mr. MacNicol). He told the house that last summer he visited the Welsh coal fields and found that whereas in the previous year Canada had taken from Great Britain something like 1,640,000 tons of anthracite, these importations had decreased by about half a million tons. That is the fact. But my good friend goes on to make this remarkable statement, and it is for this reason alone that I refer to the matter. He says, on page 212 of Hansard:

> For the life of me I cannot see what the government expects to gain by reducing our importations of anthracite coal from the United Kingdom by 500,000 tons and then going all over the face of the earth, to countries to which we cannot possibly ship our farm produce, in order to bring in 500,000 tons of coal to make up the difference.

The only inference that can be drawn from that statement—in fact the hon. member makes the direct charge—is that we are travelling all over the world in order, as he says, to induce other countries to send us their anthracite coal and displace coal from Great Britain. I have a high regard for the hon. member for Davenport; usually he is very moderate in his statements and shows good common sense in what he says, but I cannot, to use his own words, "for the the life of me" understand how, with the knowledge which he must have, he could make a charge such as that. We have made no agreement with any other country to bring in anthracite coal. As a matter of fact the policy of this government so far as anthracite coal is concerned is exactly the same as it was under the government which he supported. In 1932, when the Ottawa trade agreements were made, my right hon. friend who now leads the opposition put a duty of fifty cents a ton on hard coal from all countries other than Great Britain, from which country coal imports to Canada remained free. That is the position to-day. We have made no change in that respect in our agreements with these other countries. From Germany, from the United States, hard anthracite coal still pays a duty of fifty cents a ton.

Mr. MacNICOL: May I ask the minister a question?

Mr. EULER: Yes, certainly.

Mr. MacNICOL: Are the conditions prevailing to-day with regard to the importation of Russian coal into Canada the same as they were under the previous administration?

Mr. EULER: I will deal with that immediately. When the previous administration went out of office there still remained an embargo against practically all Russian products. This government felt that it was not right or wise that we alone of all important countries should refuse to do business with Russia. For that reason we removed the embargo against Russian goods, thus placing ourselves in exactly the same position as Great Britain, the United States and most other countries. We made no trade agreement with Russia; there is none to this day. Not only that; whereas some feared that there would be heavy importations of anthracite coal into this country, the Russians voluntarily consented to limit their exports to Canada to 250,000 tons annually. As a matter of fact they have never taken advantage of that provision, and all they have exported to this country is something like 150,000 tons. Imports of Welsh coal have sunk by half a million tons, but let me tell the hon. member this with regard to the various countries which were exporting anthracite coal to Canada: shipments to the extent of 141,000 tons which formerly came from Indo-China, the Netherlands and Belgium have practically ceased. In a former year we received from Indo-China 88,000 tons. That has been reduced to nothing in the last year.

Mr. MacNICOL: The minister means, by " a former year," 1936?

Mr. EULER: Yes.

Mr. MacNICOL: Under the present government?

Mr. EULER: Exactly.

Mr. MacNICOL: But not under the Bennett government.

Mr. EULER: Yes, but we made no new arrangement with these countries. Let my hon. friend observe this too, that if it came in under the present government in 1936 it also went out under the present government in 1937. From the Netherlands we had purchased 16,000 tons, but it paid the fifty cents a ton duty the same as Indo-China did. Now there are no imports whatever from the Netherlands. Imports from Belgium of 44,000 tons, upon which fifty cents per ton duty was paid, have now sunk to slightly over 8,000 tons.

As I said, we took from Russia 154,000 tons, but exports from Great Britain of Welsh coal dropped, as my hon. friend said, by something like half a million tons. Why? The explanation is very simple. It is not because this government went out and induced nations in all parts of the world to send us anthracite coal. One reason is that, as many hon. members know, ocean freight rates have risen tremendously. The other and perhaps the better reason is that there has been an enormously increased demand from the continent for Welsh coal. For some reason or other the British coal operator produces anthracite coal in large sizes, or rather he leaves it in large sizes, and he can sell that coal at good prices in the European market. The Canadian consumer of coal likes the small sizes; and Germany, which has increased her exports of coal to this country, although not nearly enough to make up the amount which has been dropped by the Welsh exporters, supplies us with the small sizes of coal. I know it to be the fact that there was always considerable trouble in connection with importations of Welsh coal because they were sending in the larger sizes, and I believe it to be a fact that in Montreal the importers of Welsh coal were obliged to erect breakers to reduce it to the dimensions which Canadian consumers would accept. That is the position with regard to Welsh anthracite. This government has not altered its policy one iota with regard to the importation of Welsh coal. Welsh coal has the same advantage on the Canadian market that it had when the former government was in office.

I regret that I have held the house at such great length. It was not my intention to do so. But I wished to make reference to some of the statements that have been made throughout the country, and more particularly by the leader of the opposition, with regard to the negotiations now proceeding with the United States for a new trade agreement. I regret that, more particularly in the Victoria by-election, the leader of the opposition inoculated, if I may use the word, the people of this country with a fear that in these negotiations the interests of Canadian producers would be sacrificed. I do not know where he obtained his information. If I had the full facts with regard to the negotiations I would not be permitted, of course, to give them to the house.

Mr. WALSH: Does the minister realize that the premier of British Columbia was also "inoculated," and that he inoculated the members of the legislature of that province?

Mr. EULER: Well, I should think that that was the direct result of the speeches made by the right hon. gentleman.

[Mr. Euler.]

Mr. BENNETT: Oh, no; he commenced them before I went there.

An hon. MEMBER: You must have telegraphed.

Mr. EULER: This fear of the consequences of the negotiations is not a new thing. To my mind it is very regrettable, whether it was the premier of British Columbia or the former prime minister of the Dominion of Canada, if either of these gentlemen by speeches or addresses, without any real basis or cause, increases and accentuates that fear of the future which already is in the minds of many people. In my opinion one of the chief reasons we have had recession in this country is that very fear and lack of confidence on the part of our people. We heard the same expressions of alarm when we proposed to make the first trade agreement with the United States, but the result has shown that there was no cause for them and that the consequences have been mutually satisfactory.

Mr. BENNETT: You did not make it. It was all done when you came into office.

Mr. DUNNING: Why did you vote against it, then?

Mr. BENNETT: Why? For that reason—because you gave more than we would.

Mr. EULER: When I made that statement I was not particularly attributing anything to the leader of the opposition. There was, however, a fear throughout Canada that the industries of the country would be sacrificed. Well, that did not happen, because the agreement was mutually satisfactory and advantageous. There was the same fear when we proposed to make a new agreement with the United Kingdom, but that agreement seems to be working satisfactorily. In a minor way we had the same fear when we made the agreement with Germany, and there has not been one word of complaint with respect to it. Again we have the fear on the part of our industrialists and agriculturists as well—and it is fostered by my hon. friends opposite—that we are going to sacrifice the interests of Canadian producers in our negotiations with the United States.

Let me say this in conclusion. I say it in all sincerity and as emphatically as I can, and I believe that in this I shall have the support of the Prime Minister and all my colleagues. This government is not so inept, so unwise or so unpatriotic as to sacrifice the interests of the producers of Canada, whether they be agricultural or industrial, for any reason whatsoever.

Mr. A. H. MITCHELL (Medicine Hat): I have listened with interest to many of the speeches that have been made during this debate, but it was the address on Friday last of the Minister of Justice (Mr. Lapointe) that inspired me to take part. I should like to say to the Minister of Justice through you, Mr. Speaker, that one remark which he made struck me very forcibly, and that was when he told the house that he was concluding his thirty-fourth year of continuous service to the Dominion of Canada. At the time the right hon. gentleman first took his seat in this house I was not very many months old, and so, in my mind, his name is linked with the traditions of Canada as one of Canada's elder statesmen. I wish to congratulate him upon his long service and to wish him thirty-five years more of similar service to the country.

During these thirty-five years, however, tremendous things have been happening in the world and the tempo of living has speeded up considerably, especially during the later years since the great war. Whereas it used to be very true to say that life on this planet depended upon three essential elements, air, water and food, that now has changed with our industrialized and very highly developed civilization, so that the truth is now that the three elements required to sustain life and to enable one to enjoy all its privileges on this earth and in this civilization are, air, water and money. Without money it is not possible in this complex civilization to obtain even food. I wonder how many of us would have our dinners to-night if we did not have the wherewithal to pay for them. And if that is true, and in all common sense it is true, then surely somewhere in this problem of money lies the key to the answer that we look for to solve the problems which we are trying to solve with trade and commissions and one thing and another.

Any man's property and civil rights, his ability to live and to enjoy living in the world, are closely linked up with his ability to pay for what he needs, and to pay with money, because to-day men do not tender bags of wheat and fleeces of wool in payment for what they consume; in this country they tender dollars. The grim spectre of want disappears just as soon as money is available, and it so happens that it is of enormous importance not only in a nation's life but in the life of the individual—no less in my life than in the life of Canada. It is because of the need for money in order to have the right to live that men steal, lie, cheat, fight, murder, and die. They do all these things for money because of what money gives them. It is fair to say that if you are looking for the devil incarnate, the father of lies, you will find him somewhere around money. And so the remarks of my right hon. friend on Friday last made me feel like saying in this house that what is being done in Alberta is being done for the first time in history, and that is that a government elected democratically has undertaken to challenge the authority of those who control the supply of money—not lumber and wheat and coal and all these things, but money, which is necessary for the exchange of them. It has never been done before, but the challenge has not yet been sustained. It has been made, however, and this is something of the procedure that was followed.

Rightly or wrongly it is a fact that the government of Alberta ultimately went to that system in which all money originates, the banking system, and said to them: Here is a problem. Here is a naturally productive and wealthy area, extremely productive, which is not overly populated, and the people are not able to consume to the limit of their appetite all the things they are able to produce. In effect the Alberta government said to the banks: If all that the people of Alberta are able to produce were in one end of the province, and the people with appetites to consume were in the other end, and the problem was then a transportation problem, we would not approach you, the bankers, at all; we would approach a transportation company and ask it to perform the function for which it exists in the state. But of course it is not a transportation problem. The problem is that while the people are able to produce they are not able to consume, not for lack of appetite but for lack of money, which you and you alone now control. So the Alberta government said to the banks: Will you admit your responsibility in this connection and set about righting this difficulty as quickly as possible? That was the purpose of the letter sent by Hon. Solon E. Low to the branch banks in Alberta. Or failing that, will you admit, if that is the case, that you do not know how to solve this problem of money? Will you admit, for instance, that there has been built up a Frankenstein which has got out of hand, if that is what you think? If you admit that you do not know how to solve this problem, there are men who say they do know how; so employ them, bring them in with you and attempt to solve the problem together. If they fail fire them and get others, until the solution is found. The banks replied that they were willing to co-operate within the bounds of this act and that and so on, which was all very fine. A questionnaire was sent out as a feeler to find

out how much cooperation could be expected. It asked for the names of certain people. No replies were forthcoming, which showed the amount of cooperation that was available.

Then a third course became necessary, if the source of money would not admit its responsibility and set about correcting the evil, or in the alternative admit that it did not know how and acquire assistance in effecting a remedy. In that case it becomes necessary for the Alberta government within its own limits to pass such legislation as will demonstrate that the institution which now has the monopoly of banking does not intend that the problem should be solved, nor will it relinquish that monopoly. That is the meaning of the legislation which was passed by the Alberta government. Personally I think mistakes have been made; any government, being human, makes mistakes. But I agree with what was said by the hon. member for Carleton (Mr. Hyndman) a day or two ago, that in Alberta they are at least attempting to do what needs to be done and therefore are to be admired.

Mr. MARTIN: Will the hon. member permit me to ask what names were wanted from the banks?

Mr. MITCHELL: Merely a list of employees, a very simple matter. I wonder why it is so difficult for people to recognize that there is an acute problem in connection with money. Perhaps an illustration such as this may be helpful. As a farmer I am able to produce certain goods. When I sell them for money I take that money just as much for granted as I do the goods. A government—this or any other—is not able to acquire money in any other way than by taxation or by borrowing. Those are the only two ways, according to the statutes now in effect. For that reason the policy of any government must of necessity be satisfactory to those who provide the means of payment.

Mr. McLEAN (Melfort): Does the hon. member refer to Canadian national money or to Canadian government money or to bank money or to any money, money as such?

Mr. MITCHELL: I do not follow the the question, but I think perhaps my meaning will appear as I proceed.

Mr. McLEAN (Melfort): What type of money does the hon. member refer to?

Mr. MITCHELL: Anything that pays for goods and services is money.

Mr. McLEAN (Melfort): At any rate?

[Mr. Mitchell.]

Mr. MITCHELL: Yes. This government has given the banking system—the Bank of Canada now—the right to decide on the amount of money that shall be in circulation. Any time that the Bank of Canada sees fit to increase the amount of money in circulation it may do so, and any time it sees fit to decrease the amount it can do so. That includes both paper money and credit money, money of all kinds. Now there are only two ways of doing that. Suppose money has to be issued or the amount in circulation increased, the only way a bank can put out money is to spend it or to lend it. It does not matter who creates it, it can only get out by being spent or lent. The great flow of money from the banking system into public circulation is in the form of principal lent cooperatively to borrowers, and the demand back is in the form of principal plus interest. In any year if the interest on loans made is greater than the amount that the banks themselves spend on services, it is physically impossible to meet the interest, and debt naturally and normally must pile up. Of course over the long period of years that Canada has been in existence it has been necessary many times for the dominion to borrow money, because the tax income was not sufficient to meet the expenditures. So bonds were floated at different times. Those bonds are not repayable in lumber or wheat or coal or any of the commodities that we the people of Canada produce; they are repayable only in dollars, and dollars are produced only by the banking system. That being the case, whatever government is in power, it has to meet its obligations with a medium which is supplied by only one institution. So, until a third way of getting money into circulation is found, until this is done by means of a money technique which comprehends existing facts, and puts into circulation sufficient money to reflect accurately physical truths as they exist, our accounting system certainly needs enlarging.

Because control can be exercised by those who provide the means of payment; because this government must necessarily borrow in order to meet its obligations, and because in order to borrow it must be not necessarily friendly with the banks but at least in a relationship satisfactory to the banking system; I am sure its policy must be agreeable to the banking system. This will be true until such time as the government—that is to say, the people—recognize the subtlety of the control over their very right to live, as exercised through money, and demand that

the government of the day remove that anomaly and that monopoly from existence. Then, and not until then, will it be possible for the people of any society, in Canada or in Alberta, to produce and consume to the limit of their appetite and exchange the surplus after they have satisfied themselves. Then trade will really enter into the picture; but until we do that, trade alone, or any of these other palliatives that we are attempting, will not and cannot possibly solve the problems of unemployment and poverty. Until such time as this complex system that is ours, which requires men to depend upon money as much as they depend upon air and water, which has had that control of money handed over by the people, through their successive governments, to a private monopoly, has been altered, certainly we cannot expect that any of these problems of unemployment, poverty, debt and want will be solved. We may tinker with them, but if the system does not collapse under the weight of its own debt then we shall have found a way of preventing it from doing so by devising another method of bringing money into circulation to enlarge the methods we now employ.

So, Mr. Speaker, I did not wish to make any attack on the government, nor did I wish to defend everything that has been done by the Alberta Social Credit government. I simply wanted to point out to all earnest members present that Alberta is not playing a game. We are not playing a political game. Premier Aberhart and his ministers are genuinely and actually tackling a problem which, if civilization is to survive, must be solved; that is, the problem of making what is already physically true—that is, plenty—become financially true so that the plenty can be consumed by the people.

Mr. W. K. ESLING (Kootenay West): Mr. Speaker, in the debate on the address it is customary, desirable and practical for members to present such matters as are of immediate importance to their constituents, with the thought and hope that the government will deal with them, either by legislation or by regulation as the matters suggest.

Conditions to-day present a tragedy for youth. Thousands of boys approaching manhood graduate from high schools each year, and each year thousands are added to those unemployed. In the speech from the throne the announcement is made that the government proposes to extend the scheme for the training of unemployed youth, and certainly it will be interesting to us to learn just what that scheme may be.

In my opinion there is nothing that can contribute as much towards the relief of the existing situation, so far as our young men are concerned, as the apprenticeship system. I believe that if the government would endeavour to cooperate with industry in order to bring about the taking on of apprentices, a very great deal of good would result. Thousands of young men would gladly take advantage of an opportunity, for example, to become apprentices in airplane construction, in piloting airplanes, and in the work of engineers, mechanics, groundmen or any other line of aviation. There is no doubt in the world that the government could contribute to that end. Why not persuade Trans-Canada Air Lines to take on so many apprentices? Why not endeavour to persuade other industries to do their share towards helping young men to fit themselves for work?

I suppose, Mr. Speaker, hon. members will think I too often bring up conditions in Trail, but there we have the plant of the Consolidated Mining and Smelting Company, and it would be a good thing if the heads of other industries would follow the example that has been set by Doctor S. G. Blaylock in connection with apprentices. Doctor Blaylock is the man who put soul into industry, and that is what industry needs to-day more than anything else. There the sons of employees are given an opportunity to enter various departments of the plant, and to-day seventy apprentices are receiving instruction in twelve different trades. To further that instruction the best available instructors have been secured to drill and coach the boys in matters relating to their trade, taking them beyond the high school standards in mathematics and science, so that in the end they will be not only journeymen of their crafts but also efficient employees.

There is one more situation with which I think the government could deal in order to aid in the relief of unemployed young men. I refer to a class of young men who are handicapped, who have not even the opportunity to obtain relief through pick and shovel jobs. I have in mind particularly young men who are handicapped by lack of sight. The Canadian National Institute for the Blind is appealing to this government, to the various provincial governments and to the owners of large office buildings, for permission to install in various buildings concession stands to be operated by blind young men. These concession stands would not in any way mar the appearance of the building. They would be constructed along plans to be approved by the chief architect of the dominion. The woodwork and the tile work would be fitting to the surrounding conditions in the building. First of all, these stands are supplied with

newspapers, periodicals, tobacco and like merchandise at the expense of the Canadian National Institute for the Blind. A blind attendant would be in charge. That attendant, an unemployed young man, is given all the profits resulting from the sale of the merchandise, with the exception of only three per cent, which is deducted from net profits for purposes of depreciation and to keep the stand in proper condition.

Throughout Canada to-day there are two hundred such concessions, and that simply means that two hundred young men have employment which perhaps otherwise they would not have. The Canadian National Institute for the Blind cooperates with the American Foundation for the Blind. The latter organization has been so much impressed with the progress made in this direction that it, too, has taken the matter in hand, and has presented it to congress. Congress has approved of the installation of concession stands in federal public buildings. Not only has it given its approval but it has generously contributed sums of money for the initiation of that program. Furthermore, as a compliment to the Dominion of Canada it has taken from the Canadian National Institute for the Blind a blind placement officer who will have general supervision of the installation of these stands throughout the United States.

May I be permitted to offer a suggestion to the Minister of Finance, namely that he endeavour to persuade the various service clubs to take up the matter of taxation, in an endeavour to make the people of Canada tax conscious? If the minister does not do this work, then he should see that others do it. While some people are tax conscious, certainly others are not. The man on the street has no conception whatsoever of what he pays by way of taxation. He says, "What difference does it make to me if the government borrows a few more million, or a billion?" Until he does realize that it makes a difference to him, we cannot hope for a continuation of responsible government, because the man on the street pays the taxes. He must pay, the same as anybody else, although he may be absolutely unconscious of it.

The great ambition of the young man is to have a motor car. Assume he purchases a car in the average price class; without knowledge on his part and long before the provincial government gets a crack at him, the federal government takes $65 or $70 by way of sales and excise taxes. If he chooses a more expensive car, costing wholesale about $1,000, he pays on sales and excise taxes in the neighbourhood of $125. And so it goes on, all down the line. If a person takes a trip on the train he pays a ten per cent tax on his chair or his berth. If he sends a telegram he pays a five cent tax. If he sends a long distance message by telephone he pays from one cent to 25 cents. If he happens to have savings on which there are dividends he will find that there is a tax deduction from the dividend, and particularly on one which he happens to send outside the country.

[Mr. Esling.]

Turning to another line of recreation, let us suppose that he wants to light his pipe. If he chooses to smoke he must pay twenty-five cents per pound on his tobacco, and if his choice is cigarettes he pays from four cents to eleven cents per package. If he rolls his own he must pay two cents per package on the cigarette papers. If he chooses a ten cent cigar he is taxed one and a half cents. When he finds it necessary to light his cigar, or whatever he may be smoking, he must pay two and a half cents on a box of 300 matches. If he wishes to economize, and buys a twenty-five cent lighter, he must pay a five cent tax. He must pay from $1.50 to $2 on the bottles of spirits he may choose to buy. Then, if he builds a house valued at $3,000, absolutely without his knowledge about $120 is given to the federal government by way of sales tax on everything he uses. He pays on everything he wears and on everything he consumes.

The sooner the public generally can be made tax conscious the sooner the minister and the government will be relieved of constant appeals for appropriations.

May I say a few words about the housing act? That act has not been a success in British Columbia, through no fault of the government. The difficulty is that one cannot get an insurance company, a finance company, a trust company or any other financial organization to lend them money. They will not go to the expense of supervision. Up to date I believe there have been 320 loans in British Columbia, since the initiation of the act at the end of 1935. Last year, without the assistance of the housing act, there were eighty-five houses built in Trail. I have endeavoured to persuade municipalities to take upon themselves the responsibilities of lending authorities, but I receive word from a municipal counsel that under the Municipal Act of British Columbia there is not sufficient scope to permit municipalities to borrow for that purpose.

In this connection I suggest that industry should do something. No matter what is done, we look to the federal government, and I think it is time industry did its share. Let me impress this upon the minister: At

Trail $2,750,000 has been lent employees for the building of homes, and not a cent has been lost. The money was lent at five per cent interest. This year it is the intention to go farther, and by the end of the year the amount will have reached $3,000,000. A program is now under way for the construction of one hundred homes of various types of architecture, at moderate prices so as to permit the wage earner to secure a home. The average value of the homes will be about $2,200. Each home will contain two bedrooms, a living room, a kitchen and a bath, and the upstairs is arranged so that the purchaser may finish it at his convenience.

These homes are made available to employees. The person going into a home is permitted to rent it for the first year, and if at the end of that time he wishes to purchase, the rent he has paid in the first year is applied as the initial payment on the principal sum.

May I now approach another subject which has been discussed at length in the debate, namely that of radio. I propose however to approach the subject not from the angle of the fifty cent increase but from that of manufacture and sale. I should like to refer to the Patent Act. Everyone realizes that the genius of anyone who perfects something should be rewarded through the sale of that article. Generally he sells it to a manufacturer who makes an arrangement for the payment of royalties. That is perfectly all right, but it is an entirely different thing when those who make a business of acquiring patents have a virtual monopoly over the sale of certain articles. When they put the screws on the public and make them pay what they please, it is high time the government interfered. These monopolies and supermonopolies contribute more to dissension, to disturbance and to biased public opinion which undermines security than any other single thing.

I am going to say a few words about the Canadian Radio Patents Limited. This company controls seventy-one patents, and they take advantage of their control in every way. Last year a resident of my district went across the line and brought home a seven tube radio for which he had paid $32.50. He brought that in under the $100 customs exemption, declaring it at the border and securing his clearance. No sooner had he installed it in his home than he was served with a notice by the Canadian Radio Patents Limited that he was infringing upon Canadian patent rights and would have to pay damages. He hesitated to comply and was then served with an undertaking which he refused to sign. I wish I were able to read this to the house, but I shall ask permission to have it placed on Hansard:

Know all men by these presents that I, ... of the city of ....., in the province of British Columbia, ... in consideration of Canadian Radio Patents, Limited, waiving all claims for damages against the said ....., in respect of anything done by the said ..... prior to this date, undertake and agree not to, either in my own name or through any partnership or any company in which I may have a sharehold interest or under any trade name whatever, infringe by importing, manufacturing, selling or using any radio receiving sets coming within the scope of the following patents, namely:

241,138	Rice	271,985	Newman
244,847	Langmuir	208,583	Alexanderson
214,464	White	220,741	Hull
263,962	Rice & Kellogg	198,076	Langmuir
		196,145	Langmuir
209,777	Mathes	213,999	Arnold
218,067	Arnold	183,275	Mathes
183,276	Nichols	208,862	Scriven
216,321	Armstrong	188,399	Heising
183,275	Mathes	254,640	Chamberlain
187,793	Franklin	218,235	DeForest
218,468	DeForest	218,238	Logwood
218,242	DeForest	218,473	DeForest
181,500	DeForest	251,845	Cardwell
290,246	Bast	209,618	DeForest
183,591	Logwood	209,619	DeForest
218,882	DeForest	244,581	DeForest
218,236	DeForest	218,237	DeForest
255,552	Chamberlain	208,841	Alexanderson
209,308	Alexanderson	212,366	Langmuir
302,517	Carlson	198,803	Langmuir
209,517	Hull	209,518	Hull
208,839	White	208,846	Alexanderson
223,528	Hull	253,495	Carlson
296,847	Carlson	304,765	Carlson
208,836	Langmuir	218,281	Armstrong
216,322	Armstrong	229,607	Hogan
283,743	Beers	266,514	Beers
268,561	Beers	275,561	Landon
282,314	Beers	283,742	Beers
296,632	Bolseley	301,407	Brown
304,557	Beers	226,902	Kendall
237,840	Levy	195,361	Heising
203,986	Colpitts	335,499	Levy
245,235	Heising	298,713	Whittle
236,184	Round	285,342	Wright

Dated at ....., B.C., this ..... day of February, A.D. 1937.

Signed, sealed and delivered } —in the presence of— }

This undertaking requires the importer not to import, not to make, not to use or not to sell any radio coming within the scope of the patents set out thereon. This corporation holds the patents on seventy-one radio parts, and there are not very many more parts in a radio. This gentleman refused to sign this undertaking, but after some correspondence he was advised that perhaps the easiest way out would be to pay the royalty. He did so—paid the royalty, or the damages as they term

it. He then received a letter, which I ask permission to place upon Hansard, as follows:

McCrossan, Campbell & Meredith,
Barristers & Solicitors.

Hull Building,
Vancouver, B.C.,
April 10, 1937.

Mr. D. St. Denis,
Nelson Civic Commission,
Nelson, B.C.

Dear Sir:—

Re Canadian Radio Patents, Ltd.

Further to our letter to you of the 24th ultimo we beg to advise that we have now been instructed by our clients that in view of the fact that the receiving set which you purchased was for personal use only and apparently done in ignorance of our clients' rights we are prepared to waive our demands that you execute a formal undertaking.

We have, however, been instructed to point out that payment made by you was merely in the nature of nominal damages and that in the circumstances of the case our clients have endeavoured to be lenient with you. We have been instructed also to advise that any repetition of your infringement will necessarily be followed by appropriate action to protect our clients' property rights. We might say that our clients have the right to require surrender of infringing sets for destruction. It will, therefore, be obvious to you that our clients have acted in a most lenient manner.

Yours truly,

(Sgd.) McCrossan Campbell & Meredith,

Per K.M.B.

This letter informed the importer that the holding company had been very lenient. In view of the fact that the radio was to be used for his own personal use, they stated they would refrain from further action. They told this gentleman that had they chosen to do so they could have demanded the radio from him and destroyed it.

This is a serious condition to have existing in this country. The twelve manufacturers of radios in Canada have turned over the patents which they own to a holding company, which in turn issues licences to manufacture radios. The owners of the patents are really leasing the patents to themselves through the holding company. What is the result? The result is that the manufacturers combined can charge what they want to charge for radios. They can reduce the output of certain lines or increase the price on others. But the public has to pay for all this.

I induced a radio builder to give me certain particulars of the cost of radios. This man is not an amateur, he builds perhaps larger radio sets than anyone else in Canada for commercial purposes. He is thoroughly familiar with the industry and knows the cost of the different parts which go into a set. He told me that a six-tube radio which costs $99.50 in Canada was being sold at a price sixty-seven per cent higher than in the United States. A 15-tube radio which was selling in Canada for $310 was selling just thirty-four per cent higher than it was in the United States. A 16-tube radio which was made by the largest company in Canada and which sells for $339 was selling only nineteen per cent higher than in the United States. The assumption was that modesty prevented them from tacking on the duty and the ten per cent royalty, or damages, as they call it.

Apart from all this the fact remains that this corporation has a strangle-hold on the people of Canada. Things have reached a stage where a Canadian citizen cannot bring a radio into the country, cannot have one in his possession or cannot use one without the permission of this corporation. When such a situation exists I submit it is pretty fair evidence that we are being absolutely dominated and controlled by a syndicate to an extent far beyond the conception of the general public.

I should like to cite one case in British Columbia. A dealer brought in thirty radios which were particularly adapted to the needs of his district. After he had sold these he was pounced upon by the Canadian Radio Patents Limited for damages to the extent of $2,500. This man had paid the duty on the radios and the natural supposition was that he was justified in selling them, since the federal government had accepted the duty. To cite another case, a well known firm in Winnipeg brought in a shipment of radios upon which they paid the duty. They were also pounced upon by this Canadian Radio Patents Limited and compelled to sign an undertaking similar to the one I have placed on Hansard. They were compelled to pay ten per cent damages, or royalty, plus legal fees, and they undertook not to bring in any more radios.

It is quite right to encourage Canadian industry, but it is not right to be dominated by a super-monopoly of this kind. It is not necessary for the government to take such a matter as this to the courts. Under the Patent Act, whenever the minister has an intimation that the production of anything is being restricted because of a patent or because the price is unreasonable, he can cancel such patent immediately if it has been in operation three years. The ordinary patent is valid for seventeen years, but what happens? It is well known in connection with these radio patents that the moment one of them expires it is again registered, but with another and more intricate description, so that it passes for a new patent. The government is not responsible for this

condition, but it enables those who are inclined to monopolize and to get all the money they can to take advantage of an opportunity afforded them by the Patent Act. It is the business of the government to stop it; for the bill is being paid by all the people of Canada. The sales production alone for the last twelve months of radios in Canada, without counting retailers' profits, was $23,000,000. It has been reliably estimated that the retail sales price will increase that amount to $38,000,000. To the cost of these radios they have added the duty and other things, including no doubt the ten per cent, and these charges are coming out of the pockets of the wage earner and everybody else in Canada who purchases a radio.

Another super-monopoly to which I want to call attention is under the Copyright Act. I commend the government for having appointed the appeal board, which has done pretty fair work; it would be willing, I am sure, to go further if it could. Remember that the government is interested in this business, for the reason that the Canadian Broadcasting Corporation pays to the Performing Right Society $32,000 this year for the privilege of putting music on the air. To show that this super-monopoly is not so conscientious about its charges, that at least they are very elastic, I may mention that its charges to the broadcasting stations of Canada for 1938 were $145,000, but the appeal board reduced the amount to $83,000, so it is evident that the board must have been satisfied that the Performing Right Society was not too particular about what it charged.

However, the point I wish to make is that the broadcasting stations pay for this music, and that the $83,000 which they will pay this year covers only radios for domestic service, radio sets in homes; it does not cover radios in hotels, in restaurants, in skating rinks, in stores, in cabarets or even in boarding houses. They all have to pay a minimum of five dollars, and they are required to make periodical reports, upon which increased charges are based. I am sure that the Minister of Transport (Mr. Howe) will be pestered with protests against the increased charge of fifty cents, but apart from that, let me ask what use is a radio if these small users cannot get the music without paying an additional fee to the Performing Right Society. They have purchased their radios; they have paid to the dominion government the fee of two dollars or two and a half dollars, as the case may be, for the coming year; and then this Performing Right Society pounces upon them for an additional amount. I ask in all fairness every hon. member who has in his constituency—and they all have—a band, an orchestra, an hotel, a boarding house, or any kind of institution or public place in which music is performed, to give consideration to the unfairness of this levy of tribute by this additional super-monopoly.

I hope, Mr. Speaker, that the government will give some consideration to what I have suggested for the benefit of the taxpayers of this country.

Mr. ELIE O. BERTRAND (Prescott) (Translation): Mr. Speaker, may I add my own congratulations to those that have already been tendered to the hon. members who proposed and seconded the motion for an address in reply to the speech from the throne. We are most happy to welcome in our midst the hon. member for Lotbinière (Mr. Francœur) and the hon. member for Renfrew North (Mr. Warren). The experience these two members have acquired as representatives of constituencies in their respective legislatures and their knowledge of their province will be a great help to us in the consideration of the matters of national interest which come before us.

This being the first session of this house since the coronation of our new sovereigns, I wish to assure Their Gracious Majesties King George the Sixth and Queen Elizabeth of the loyalty of the French-Canadian minority of the province of Ontario. We trust that their reign will be a long one and that it will be a reign of justice and peace for every one of the citizens of the empire.

May I also pay a passing tribute to the fellow-members who have died since last session. Three of them belonged to the Liberal party, two to the Conservative party and one to the Social Credit group. To the bereaved families I offer my sincere sympathies. I should like to make special mention of Sir George Perley. Although situated in the province of Quebec, his constituency was separated from mine only by the Ottawa river. The late member for Argenteuil gave twenty-five years of unselfish service not only to his constituency but to the whole country. He enjoyed an enviable reputation in this house and in the whole empire. His constituents, whom he served for so long a period, held him in high regard and were deeply affected by his death. May I offer my sympathies to Lady Perley and to the people of Argenteuil county.

I do not intend to take up all the points raised by the hon. member for Kootenay West (Mr. Esling), but I should like to refer to that part of his speech where he states that the taxpayer does not realize how much he is paying until he becomes overburdened with taxes. I am greatly surprised to hear such a statement made by the hon. member for Kootenay West, for was it not the administration which he supported from 1930 to 1935 that added during that short period nearly one billion dollars to the national debt? I say that the taxpayers are now conscious of the enormous sums taken from them in federal taxation. Indeed, one reason why the Liberal party obtains such easy victories at every by-election is that to-day the people realize that the Conservative administration of 1930 to 1935 was a nefarious administration. They are therefore glad to return to the policy of the Liberal party which better understands the needs of the taxpayers.

Mr. Speaker, I read with great pride in the speech from the throne of something which we have noticed ourselves in the past two years or more: the business improvement and the return of this country to prosperity. Any one of us can see in his own neighbourhood that business is better, that the people are recovering from the distressful state they have been in for some years past. Prices of farm products have increased; our trade expansion has assuredly stimulated lines of activity; the farmer's position is certainly better than it was a few years ago, although he is still confronted with an extraordinarily difficult problem to which I shall refer presently. In spite of the return to prosperity, I must say that the problems of the farmer and the workman are still most serious. I listened with pleasure to the plea made a few days ago by the hon. member for North Huron (Mr. Deachman) on behalf of the farmers. The hon. member described the economic situation of the farmers of his district. I had intended to speak at length on that subject, but after what he and other speakers said about it during this debate, I shall only say that, according to the census of 1931, the average Ontario farmer owns a farm of about 120 acres worth about $7,000. This average farm yielded in 1930 products valued at $1,585 gross, that is without deducting operating and living expenses. This represents the value of farm products available for the markets or for the farmer's own consumption. In 1932, that production value had fallen to $964, which means a decrease of $621 in two years.

In 1936, when took place the return to prosperity to which I referred a moment ago, the value of our agricultural production stood at $1,335, which was still a decrease from 1930, but a substantial increase of $370 as compared with the low level of 1932. Even with that increase the farmer remains in the red and the problem still calls for our serious consideration.

If we take the costs of farm production and submit them to the same analysis as that of farm income, we find that operating expenses, including interest on mortgages or on capital investment, amount to $973 a year. A survey of the 1931 census figures, as revised up to 1936, shows that the Ontario farmer is earning less than a dollar a day, both for himself and his family, and that his working hours are exceedingly long. His working hours are not controlled by any provincial or federal regulation. He must toil from sunrise to dusk, and in many cases, has to go on working late in the evening until forced to quit by darkness.

If we concede that agriculture is our chief industry, we must also admit that the farmer's services are the most underpaid. Such conditions exist throughout the country. Agriculture is therefore in a most deplorable state, as I have just shown and as statistics prove beyond possibility of contradiction. I should certainly not attempt to hold the government responsible for it. The present government has already done a great deal towards bettering agricultural conditions, but in order to have a united Canada, equal treatment must be dealt to every class of the population, and all should be afforded the opportunity of obtaining an adequate reward for their work and efforts so that they may secure a more or less equal share of the benefits accruing from our national wealth.

I could not stress the point any better than the hon. member for Huron North did, last Tuesday, and I would like to join him, as well as other hon. members of this house and the members of the provincial legislatures, in their endeavours to get that agricultural problem solved by the government, so that our farmers may have a larger share of the prosperity which now obtains in Canada.

Now just a brief reference to the unemployment problem. The commission appointed by the government, the so-called Purvis commission, certainly achieved an excellent task in gathering important statistics throughout the country to show the scope of the problem, to what extent each class of unemployed is being affected at the present time, and the obstacles, heretofore unknown, that we shall have to face in dealing with that problem. Nevertheless, as it is stated in the speech

from the throne, there are many of our people still unemployed, and that will have to be considered by the government for some time to come.

With regard to the constituency that I have the honour to represent and more particularly the city of Hawkesbury where 50 per cent of the people are affected by unemployment—people who would be glad to work and to support their families—I would ask that they be afforded some relief by way of employment, so that instead of depending on public support they may earn their own and their family's living, and be once more in a position to live through their labour rather than be on relief.

I was interested in reading the following paragraph in the speech from the throne:

> In view of the success which has attended efforts to assist in the training of unemployed young people, it is proposed to extend the scheme during the coming year.

What has been done for the training of our young unemployed by way of vocational courses and technical schools with a view to fitting them for the future, ought to be appreciated by all our people. We are certainly happy to hear that the government will continue to assist, again this year, in the training of our unemployed young people. Whatever we may do for our youth will be that much that we shall leave them. It is absolutely necessary further to assist these training schools and prepare our young people for future years. Of course that will cost some money, and I hope that during this session means will be taken to ensure the continuance of this technical training by voting the necessary appropriations for the expansion of such useful work. Then we shall be able to place them in their proper sphere where they will be in a position to provide for their future and assist in the development of this country.

It is not a question of dealing with the immediate unemployment problem, but with the problems of the future generation who, before long, may enjoy the benefits of such training, for they will have the means to cope with their own requirements and take care of those who wish to establish a home.

You may have read also with some uneasiness the following words in the speech from the throne:

> The international situation generally continues to give much ground for anxiety. My ministers have endeavoured, as opportunity has afforded, to promote international understanding and good-will. They have sought to join the efforts of Canada to those of other countries which are seeking by cooperation and conciliation to effect a settlement of questions and issues which concern the world's peace.

I am certainly happy to say that the Canadian people have some reason to be less anxious. The message of peace brought last summer by the right hon. Prime Minister (Mr. Mackenzie King) and by the right hon. Minister of Justice (Mr. Lapointe) to the empire and to the countries of Europe certainly honoured us and evidenced the interest taken by Canada in the question of world peace. We are grateful to them, and the whole population of Canada agrees with them that peace must prevail as far as this country is concerned, even should other parts of the empire at any time become entangled in European or world wars.

May I state, as it has already been mentioned by several hon. members who preceded me in this debate, that one way to remain on friendly terms with other nations of the world is to try and extend our trade relations with them. That is not the only way, but it is one which will benefit our population.

The hon. Minister of Commerce (Mr. Euler) and the hon. Minister of Labour (Mr. Rogers) have already submitted statistics; however, I should like to submit more figures in order to establish a comparison between our imports and exports for the twelve months ended November 30, 1935, and the twelve months ended November 30, 1937. Those figures show that our trade with the United Kingdom has increased by 33 per cent; with Australia, by 45 per cent; with South Africa, by 42 per cent; with New Zealand, by 121 per cent; and with the British West Indies, by 83 per cent.

Let us now consider the expansion of Canadian trade for the same periods with the other countries of the world. Trade increases were as follows: United States, 64 per cent; Japan, 70 per cent; Belgium, 98 per cent; Germany, 89 per cent; France, 8 per cent; Argentine, 104 per cent; Netherlands, 33 per cent; China, 16 per cent; Italy, 20 per cent; Brazil, 25 per cent; Norway, 31 per cent; Cuba, 60 per cent; Dutch Indies, 43 per cent; Poland, 93 per cent. I could go on indefinitely giving similar figures for many other countries.

An outstanding fact is that in its policy of trade expansion the government fostered particularly the development of our primary industries rather than that of our secondary industries. As a result, we find that for the twelve months ending with August, 1937, our grain exports increased by 42 per cent as compared with the twelve months ending with August, 1935. Other increases in our exports for the same period were as follows:

cattle, 105 per cent; cheese, 111 per cent; fish products, I am sorry to say, the increase was only 16 per cent; cured meats, 71 per cent. Our lumber and paper exports increased by 71 per cent and 43 per cent respectively. The export figures for nearly all products of our primary industries show somewhat similar increases.

These increased exports have certainly contributed to the development of our primary industries, which are entitled to our greatest consideration because they give employment to the largest number of people. They are the foundation of our prosperity and will continue to contribute in the greatest measure to the expansion of our trade.

In developing our trade, not only are we fostering more friendly relations with foreign countries, but we are also providing employment for Canadian workingmen, and helping in the solution of the unemployment problem and in the rehabilitation of the farming community. While there is absolutely no question about that, it is nevertheless true that the problems I have already referred to are still before us, owing to the conditions which confront the farmers and the workers in several parts of our country.

We have no Canadian merchant marine for carrying our goods; consequently, in order to ship them to foreign countries we must use the merchant ships of Great Britain or of those other countries which are willing to trade with us. A thorough analysis of the figures I have quoted will show that, with the exception of the United States of America, the increase in our trade has been largely with overseas countries, or with countries quite remote from Canada. Consequently, we must necessarily ship those goods from our harbours to the farthest corners of the world. Many of those countries have not the same mentality as we have; each one of them is keeping close watch on the others with a view to its own protection. Such countries have raised walls for the defence of their territory, their people and their trade, and to ensure such protection these walls are watched by soldiers equipped with guns and other weapons. When such countries are making agreements for the purpose of increasing their trade with us, their viewpoint is not the same as ours. We are living near the United States, quite a peaceful country which is not trying to extend its territory, and which has no reason to fear our enmity. When those countries wish to trade with us, they are also desirous of being afforded, in our harbours, such protection as may enable them to enter them safely. That is why I say that we need a national defence not only to protect our people, to preserve order, peace and good government in our country, but also to protect our trade. If a certain sum is to be appropriated for the improvement of our national defence, it will be used, among other things, for motorizing our transportation facilities so that they may be available in all parts of the country. If we spent money last year and if we spend some more this year on our coast defences, it is not because we expect the attacks of any enemy, not because we fear to become involved in war, but in order to show to the whole world that we are in earnest, that we are willing to trade with all nations, and are ready to give them the assurance that our harbours will be protected, that their ships may safely enter them and unload their goods in exchange for ours. It is not a national defence in terms of military operations, but a defence for the purpose of enabling us to increase our trade; it is not a defence for purposes of war and conquest but solely to protect our people and secure our own prosperity in this Canada of ours.

I should now like to say just a few words about our constitution. In the speech from the throne there is one paragraph which reads as follows:

> The cooperation of the provinces has been sought with a view to an amendment of the British North America Act, which would empower the parliament of Canada to enact forthwith a national scheme of unemployment insurance. My ministers hope the proposal may meet with early approval, in order that unemployment insurance legislation may be enacted during the present session of parliament.

The speech from the throne, as every one may ascertain, clearly states that the government has endeavoured to secure the cooperation of the provinces with a view to amending the British North America Act so as to empower parliament to enact forthwith a national scheme of unemployment insurance. That necessarily means that if the British North America Act is to be amended, the amendments must be concurred in by the interested parties. At the present time, we notice in the press of our country comments of a most diversified character. In a certain part of the country, comments just as varied are made about what could be done in the way of an amendment to our country's constitution. Such amendment gives rise to comments that are quite conflicting. Unemployment insurance is a problem which deserves the attention of the government, and the latter should consider not only present but also future needs. In order to afford Canada the best possible protection against unemployment, there is nothing better than

unemployment insurance, just as life insurance affords protection for the dependents of policyholders, and just as fire insurance protects against fire losses. That is an important problem which claims the attention of the government.

The cost of unemployment relief is now borne by the municipalities, the provinces and the federal government. Should the latter accept the unemployment problem as its own, I think that no province would refuse to leave it entirely in its hands or to admit that it should be the object of federal legislation. Provided the federal government takes over the entire unemployment problem, I submit that there would be no objection to a national unemployment insurance scheme—but that would be an essential consideration. Otherwise, the constitution of our country must not be amended without the consent of all the contracting parties, and without the proposed amendments being approved by all of them.

The present government, under the direction of the right honourable William Lyon Mackenzie King, has certainly not shown any dictatorial attitude in the past; they have always been willing, under all circumstances, to give due consideration to local and national problems, and I say frankly that in the present instance also we have no fear. We know that every one of the problems of the day will be considered and solved by this parliament with proper regard to all classes of citizens.

For all those reasons I intend to vote against the amendment of the leader of the opposition and to support the present government so that it may continue to solve the problems of our country and to give the people the administration they want in this period of difficulties.

Mr. T. F. DONNELLY (Wood Mountain): Mr. Speaker, I associate myself with others who have preceded me in this debate in congratulating the mover and the seconder of the address in reply to the speech from the throne. These gentlemen have performed their allotted task with credit to themselves and their constituencies, and they should be a valuable addition to the debating ability of this house.

One of the first paragraphs that attracts my attention in the speech from the throne is that which refers to the recovery which has taken place in the Dominion of Canada. It reads as follows:

> It is gratifying to note that, during the past year, there has been a further substantial advance in Canada's economic recovery. Revenues have reached new levels. Trade with other countries has materially expanded. There has been a general increase in employment and a marked decrease in the numbers receiving unemployment aid.

I have verified this statement not only by looking over statistics but from my experience since coming east. I have talked to members from different parts of the dominion, and each has told me that conditions in his district are better than they had been for many years. Conditions are and have been improving, practically speaking, all over the dominion, with the exception of the district which I have had the honour to represent during the last few years. For nine years in that district I have referred in this house from time to time to the condition that has prevailed—we have been suffering from a terrible drought, which last year reduced crop prospects to nothing at all. I contend, as other members from that district contend, that nothing whatever is wrong with the district from which I come except that we need rain; we lack the moisture necessary to produce a crop.

Some time ago, looking over the Regina Leader, I noticed an article written by Grant Dexter from the Leader-Post London bureau. In that article Mr. Dexter refers to a man named A. G. Street, who has been giving lectures and speaking over the radio in England. I should like to read one paragraph from the article written by Mr. Dexter:

> Street, in his articles and over the radio, painted conditions on the prairie in sombre colours. He mentioned the lack of rainfall but attributed prevailing conditions chiefly to selfish, short sighted husbandry. He indicated that the west's troubles were largely of its own making. Prairie farmers were condemned because it was suggested that they have mined the land, taking the good from the soil and putting nothing back into it.

No article could be more misleading. The farmers in western Canada are as good as the farmers in any other part of the world. In western Canada we have farmers just as industrious, just as hard working and just as intelligent as the farmers in the east, in any other part of the British Empire or in the United States. For a man to sit in his office in England and write a speech such as that, without ever seeing the conditions or knowing anything about them, is misleading and most unfair.

Mr. McINTOSH: He ought to be chloroformed.

Mr. DONNELLY: He is absolutely wrong in making such statements. There is nothing wrong with farming conditions; there is nothing wrong with our prairies or with the people on the prairies. All we need is rain. No

government can give us that, and we realize it. It is not the government's fault, but rather an act of Providence. Nothing can help us until Providence smiles upon us again and gives us rain. We believe that time will come.

The farmers in my district have been trying to grow wheat, but they have not had enough rain to grow it. When there is not enough moisture to grow wheat you cannot grow any other kind of grain, because it takes less rain to grow wheat than to grow any other crop. Therefore when we cannot produce a wheat crop we cannot produce any crop.

Let me point out that the drought area is not confined to Canada. It is roughly oval in shape, comprising about eight states and portions of nine other states of the American union. The southern part of the oval reaches Mexico, and the northern part of it extends into western Canada, taking in a large portion of Saskatchewan and parts of Manitoba and Alberta.

In the past year the drought area has been somewhat reduced. There has been some restriction along the edges, and the result is that in the past year we found practically no drought in Manitoba. But the central part of the drought area, found in Saskatchewan, is more affected than it has ever been. Conditions have been so extreme that there have been no crops at all. In other years there had been a little crop, here and there, but in the past season there was practically no crop in Saskatchewan.

Then, there has been a restriction in the affected areas in the United States. There has been some change along the edges and we believe the drought area is being brought back to a state of cultivation. The moisture which has fallen during the past winter and autumn leads us to believe that during the coming year there will be a still greater reduction in the area, and that eventually we will reach a condition where we will have rains and crops.

The area from which I come was opened up in 1908 and 1909. Ninety per cent of the settlers in the district came in without any worldly goods. They farmed there from those years until about 1929, and during that twenty-year period they had pretty fair crops. In 1929, fifty per cent of those people had assets valued all the way from $10,000 up to as high as $100,000 and $150,000. The men who homesteaded in those early days have now reached ages of forty-five, fifty-five or sixty-five years. It is quite impossible to expect them to leave the good homes they have built, to leave the outbuildings on their properties or to leave the land, which lacks nothing but moisture. We must not expect them to go out into the bush to carve out new homes for themselves. They simply cannot be persuaded to go. And in view of the good crops they had during a twenty year period, they cannot believe that Providence will not smile upon them again. They still have faith in the country, and so have I.

I believe we will have crops in there again. But in all fairness, I must say to the government, that while I believe it is justified in helping the old settlers to remain on their land, it is not justified in helping young men to settle there. They must differentiate between the young men who want to start farming in the district and the old settlers who have been in there for some years. Young men should be discouraged from settling in that area, and should be encouraged to begin farming in other districts where conditions and prospects are better.

I should like at this point to refer to what has been done for the people in that section of the country, but as the time before adjournment is getting short I should appreciate it if you would permit me, Mr. Speaker, to adjourn the debate.

On motion of Mr. Donnelly the debate was adjourned.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 5.46 p.m.

[Mr. Donnelly.]

Thursday, February 10, 1938

The house met at three o'clock.

PRIVILEGE—MR. LAWSON

POWERS OF CANADIAN BROADCASTING CORPORATION RESPECTING OPERATION AND CONTROL OF STATIONS

Hon. J. E. LAWSON (York South): I rise to a question of privilege. Speaking in the house on Tuesday on the amendment to the address in reply to the speech from the throne, with regard to the powers of the Canadian Broadcasting Corporation, I made a statement which, in an interruption by the Minister of Transport (Mr. Howe), was alleged to be erroneous; and subsequently, at the end of my speech, the minister said that my statement was wrong and that I should admit it.

I claim the privilege of quoting to the house the authority upon which I base my statement; that authority is the Canadian Broadcasting Act. If you will refer to page 263 of Hansard, Mr. Speaker, you will find that I used these words:

May I say to the Minister of Transport (Mr. Howe) that I understood the Canadian Broadcasting Corporation not only operates stations but controls all stations in Canada.

The minister said:

The hon. member is entirely wrong.

I tried in a hurry to locate the provisions in the act but was unable to do so, and the Minister of Transport, immediately upon the conclusion of my address, as shown at page 266, said:

What the hon. member stated is not the fact; why not say so?

I quote from the Canadian Broadcasting Act, being chapter 24 of the statutes of Canada for the year 1936, section 22:

The corporation may make regulations:
(b) to prescribe the periods to be reserved periodically by any private station for the broadcasting of programs of the corporation.

This was a program of the corporation that was in question.

(c) to control the character of any and all programs broadcast by corporation or private stations.

I say, therefore, Mr. Speaker, that my statement was correct. It was correct also on a further ground; the broadcast in question was a chain broadcast. A private station cannot obtain wires for the conduct of a chain broadcast without application to the commission under section 22, subsection 1(a), and therefore the commission has control of the private stations.

AUDITOR GENERAL'S REPORT

REFERENCE OF ANNUAL REPORT, TOGETHER WITH PUBLIC ACCOUNTS, TO PUBLIC ACCOUNTS COMMITTEE

Hon. CHARLES A. DUNNING (Minister of Finance) moved:

That the Auditor General's report for the year ended March 31, 1937, and the public accounts for the year ended March 31, 1937, be referred to the standing committee on public accounts.

Motion agreed to.

PRIVY COUNCIL APPEALS

PROPOSED ABOLITION OF APPEALS TO HIS MAJESTY IN COUNCIL

Hon. C. H. CAHAN (St. Lawrence-St. George) moved for leave to introduce Bill No. 19, respecting appeals to the judicial committee of the privy council.

He said: In moving for leave to introduce this bill, which is entitled An Act Respecting Appeals to the Judicial Committee of the Privy Council, I would ask the privilege of making a few explanatory remarks, not by way of argument but for the purpose of enabling lay members of the house to appreciate more clearly the development of the constitutional law with respect to prerogative appeals to his majesty in council and with respect to the appeal under the statutory provision of a later act to the judicial committee of the privy council.

A statute of the parliament of the United Kingdom of Great Britain and Ireland, which was enacted in 1833 and is best known by its short title, The Judicial Committee Act, 1833, recites the fact that "from the decisions of various courts of judicature in the East Indies and in the plantations, colonies and other dominions of his majesty abroad, an appeal lies to his majesty in council," and proceeds by its provisions to regulate the proceedings in such an appeal. But under the Judicial Committee Act, 1833, it was never claimed that as a matter of royal prerogative the king and his privy council had jurisdiction to review the judgments of a colonial court, other than from the final appellate court in the colony, which, in the British American provinces, was the governor and his executive council.

The first royal commission appointing a governor of a province in that part of British North America now known as the Dominion of Canada was the commission issued in 1749 to Edward Cornwallis as governor of the newly-created province of Nova Scotia. Upon his arrival at Halifax Cornwallis appointed his council and established three courts for the province; a court of general sessions, similar to courts of sessions in England, a county court of five justices of the peace having jurisdiction over the entire province, and a general court consisting of the governor and members of his council, having a supreme appellate jurisdiction in the province. This supreme court of the governor in council exercised both political and judicial functions. The right of appeal to the governor in council was omitted from the royal instructions to the governors of Nova Scotia and Prince Edward Island in 1861.

In 1754 Jonathan Belcher was appointed chief justice of the province of Nova Scotia, and chief justice of the supreme court of judicature, which was then constituted. This court thereafter exercised the appellate jurisdiction that formerly appertained to the governor in council.

The royal proclamation of October 7, 1763, established a judicial system in Quebec, consisting of civil and criminal courts, with a right of appeal in civil cases to the king in council. The Quebec Act, 1774, repealed all existing ordinances relating to the administra-

tion of justice, but the instructions to Governor Carleton in 1775 authorized the constitution of criminal and civil courts, with an appeal in civil matters to the governor in council in certain cases.

The Constitutional Act of 1791 provided for the division of the old province of Quebec into two new provinces to be called Upper and Lower Canada, and provided that all existing laws, statutes and ordinances should remain in force until altered by the legislatures of the new provinces. The respective legislatures of the two new provinces each enacted statutes making provision for appeals to the governor in council, with a further provision for appeals to the king in council. Lower Canada legislated by 34 George III, chapter 6, section 23. Upper Canada legislated by 34 George III, chapter 2, section 33, which reads as follows:

> And be it enacted that the governor, lieutenant governor, or person administering the government of this province, or the chief justice of the province, together with any two or more members of the executive council of the province, shall compose a court of appeal for hearing and determining all appeals from such judgments or sentences as may lawfully be brought before them.

One of the grievances most bitterly complained of in the province of Lower Canada was this constitution of the governor in council as a court of error and appeal, inasmuch as the governor in council exercised, in practice, political rather than judicial functions.

In 1841 the appeal In re Samuel Cambridge from Prince Edward Island was heard before the privy council. By the royal instructions to the governor of that island, then in force, he was directed to allow appeals to himself in council where the value appealed from amounted to £300 sterling and to the king in council where the value appealed from amounted to £500. Cambridge, to avoid a multiplicity of suits against himself, petitioned her majesty in council for leave to appeal from a judgment of the supreme court of the island to the amount of £135 which under the instructions to the governor was not appealable either to the governor in council or to her majesty in council. The judicial committee, Lord Brougham, a former lord chancellor, presiding, held that there being an intermediate court of appeal in the island, namely the governor in council, no appeal could be received by the privy council directly from the supreme court of the island. Appeals from the supreme court of the island under the instructions should be made to the governor in council of the island. The reference is Moore's Privy Council Cases, volume III, page 175. This case was decided in 1841, and thereafter Lord Brougham introduced to parliament the bill which was enacted as the Judicial Committee Act, 1844, to overcome the difficulty which had arisen, by allowing in future appeals to the privy council from other courts in the colonies although they were not courts of error or courts of appeal.

When this statute was enacted in 1844 the royal instructions to every British governor, without exception, constituted him and his executive council a court of appeal exercising judicial functions as a court of error and appeal, and made further provision for an appeal from the governor in council to the king in his privy council. The Judicial Committee Act of 1844 recites that:

> —the judicial committee, acting under the authority of the said acts—

The act of 1833 and an amending act.

> —hath been found to answer well the purposes for which it was so established by parliament, but it is found necessary to improve its proceedings in some respects for the better despatch of business and expedient also to extend its jurisdiction and powers.

The first section of the act of 1844 enacts that it shall be competent to her majesty by general or special order in council to—

> —provide for the admission of any appeal or appeals to Her Majesty in council from any judgments, sentences, decrees or orders of any court of justice within any British colony or possession abroad.

The jurisdiction of the king in council to review judgments of colonial courts, other than the final court of appeal where such court existed in the colonies, was never claimed as a matter of royal prerogative prior to the enactment of The Judicial Committee Act, 1844, which converted the pre-existing prerogative right into a statutory right.

The conditions which Lord Brougham desired and intended to remove are shown by the preamble to The Judicial Committee Act, 1844 which recites:

> Whereas by the laws now in force in certain of Her Majesty's colonies and possessions abroad no appeals can be brought to Her Majesty in council for the reversal of the judgments, sentences, decrees and orders of any courts of justice within such colonies save only of the courts of error or courts of appeal within the same, and it is expedient that Her Majesty in council should be authorized to provide for the admission of appeals from other courts of justice within such colonies or possessions—

Then it proceeds with the enactment of section 1:

> 1. It shall be competent to her majesty, by any order or orders to be from time to time for that purpose made with the advice of her privy council, to provide for the admission of any appeal or appeals to her majesty in council

from the judgments, sentences, decrees or orders of any court of justice within any British colony or possession abroad, although such court shall not be a court of error or a court of appeal within such colony or possession; and it shall also be competent to her majesty, by any such order or orders as aforesaid to make all such provisions as to her majesty in council shall seem meet for the instituting and prosecuting of any such appeals, and for carrying into effect any such decisions or sentences as her majesty in council shall pronounce thereon.

This statute of 1844, says the late Mr. E. R. Cameron in his valued work on The Canadian Constitution, never contemplated interfering with the power to regulate appeals from the courts of appeal in the provinces of Upper and Lower Canada, given them by the Constitutional Act of 1791. This undoubtedly was the view of the imperial authorities in passing the earlier orders in council which provided for the institution and prosecution of appeals in the Canadian provinces which had no courts of error and appeal other than the governor in council, and which orders are clearly supplementary to the provisions of The Judicial Committee Act, 1844.

The preamble to the orders in council, providing for appeals from New Brunswick in 1852 and Nova Scotia in 1863, recites the language of The Judicial Committee Act, 1844, and proceeds:

And whereas it is expedient that provision should be made in pursuance of the said cited enactments to enable parties to appeal in civil causes from the decision of the supreme court of the province to His Majesty in council, the same not being a court of error and appeal.

When these orders in council of 1852 and 1863 were passed by his majesty in council, each of the provinces of New Brunswick and Nova Scotia was "a British colony or possession" within the meaning and intent of The Judicial Committee Act, 1844; but it may be doubted, I think, whether a province of the Dominion of Canada may now be properly so described. It is clear that in respect of any future enactment of the parliament of the United Kingdom and Northern Ireland it may not be so described, because section 11 of the Statute of Westminster, 1931, provides:

Notwithstanding anything in The Interpretation Act, 1889, the expression "colony" shall not, in any act of the parliament of the United Kingdom passed after the commencement of this act, include a dominion or any province or state forming part of a dominion.

In 1849, by 12 Victoria, chapter 37, in Lower Canada, and by 12 Victoria, chapter 63, in Upper Canada, the governor in council as a court of error and appeal was abolished, but provision was made for appeals to the king in his privy council. Subsequently the thirty-fourth resolution adopted at the Quebec conference in October, 1864, provided that the general parliament should have power to make laws for—

The establishment of a general court of appeal for the federated provinces.

Section 101 of The British North America Act, 1867, subsequently enacted:

101. The parliament of Canada may, notwithstanding anything in this act, from time to time provide for the constitution, maintenance and organization of a general court of appeal for Canada, and for the establishment of any additional courts for the better administration of the laws of Canada.

During the parliamentary session of 1875, which was during the period when this country was administered by the government of Mr. Mackenzie, a bill was introduced by Mr. Fournier, then minister of justice in the Liberal administration of that day, to establish the Supreme Court of Canada. The political records of that time disclose that Edward Blake had a large part in drafting the bill, and that the bill, as originally drawn, contained a clause providing that judgments of the supreme court should be final, thus precluding appeals to the privy council, but that the government of the United Kingdom then intimated to the government of Canada that the proposed act would not receive the assent of the crown unless that section of the bill was amended so as to preserve the prerogative right of appeal. Professor Kennedy, of the university of Toronto, in his work, The Constitution of Canada, at page 341, relates:

When the parliament of Canada in 1875 proceeded to constitute a supreme court for Canada, the bill, as introduced, provided for the cessation of all appeals to the privy council, but the colonial office at London notified the Liberal government of that day that unless this provision was eliminated the whole bill would be disallowed by the government at Westminster.

In May's Constitutional History (1912), volume III, he says that when in 1875 the Liberal government of Canada proposed to abolish appeals to the privy council, the judicial committee prepared a memorandum in which they said:

To abolish this controlling power and abandon each colony and dependency to a separate court of appeal of its own would obviously be to destroy one of the most important ties connecting all parts of the empire in common obedience to the courts of law, and to renounce the last and most essential mode of exercising the authority of the crown over its possessions abroad.

It is to be noted that Canada was then regarded as a colony, dependency or possession of the crown, over which the government of

the United Kingdom should not renounce the last and most essential mode of exercising authority in the name of and as advisers of his majesty.

The forty-seventh section of the Supreme Court Act of 1875 as then enacted, reads as follows:

> 47. The judgment of the supreme court shall in all cases be final and conclusive, and no appeal shall be brought from any judgment or order of the supreme court to any court of appeal established by the parliament of Great Britain and Ireland, by which appeals or petitions to her majesty in council may be ordered to be heard; saving any right which her majesty may be graciously pleased to exercise by virtue of her royal prerogative.

That section now appears as section 54 of the Supreme Court Act, chapter 35 of the revised statutes of Canada, 1927.

The parliament of Canada in 1888, by chapter 43 of the statutes of 1888, subsequently enacted amendments to the criminal code, which provided that in criminal cases the judgment of the Supreme Court of Canada should in all cases be final and conclusive, and that no appeal shall be brought in any criminal case to his majesty in council. That remained the law in Canada for thirty-eight years, until, in 1926, in the Nadan case, the privy council held that this enactment of the parliament of Canada was inconsistent with the provisions of the Judicial Committee Acts, 1833 and 1844, and therefore invalid under section 2 of the Colonial Laws Validity Act of 1865, which enacts that:

> Any colonial law which is or shall be in any way repugnant to any provisions of any act of parliament extending to the colony to which such law may relate . . . shall to the extent of such repugnancy, but not otherwise, be and remain absolutely void and inoperative.

In the Nadan case it was declared that that enactment in the criminal law of Canada, which presumably had been in force for some thirty-eight years, was invalid and void, by reason of repugnancy to the Colonial Laws Validity Act.

Section 2 of the Statute of Westminster, 1931, has more recently declared that:

> The Colonial Laws Validity Act, 1865, shall not apply to any law made after the commencement of this act by the parliament of a dominion.

Mr. SPEAKER: Order. I do not like to interrupt the hon. member, but on the introduction of bills statements should be made succinctly and briefly.

Mr. CAHAN: I have only one more citation to make, and I shall have finished. I had no intention of being argumentative, but having these notations in my notebook I thought that by placing them on Hansard I might save hon. members some time.

[Mr. Cahan.]

Mr. LAPOINTE (Quebec East): I think so, too.

Mr. CAHAN: I thought that if they had the exact references it might be helpful.

Mr. LAPOINTE (Quebec East): I think the observations of the hon. member will be very useful to hon. members who would like to speak on the second reading.

Mr. CAHAN: In 1931, in chapter 28, section 15, the parliament of Canada reenacted the same section of the criminal code abolishing appeals to the privy council in criminal cases; and the privy council in 1935, in the British Coal Corporation case, held that the enactment is now valid.

Nevertheless The Judicial Committee Acts of 1833 and 1844 still apply to appeals to his majesty in council in civil cases; and the purpose of this bill is to repeal the said acts and all orders, rules and regulations made thereunder in so far as they are a part of the law of the Dominion of Canada.

Before second reading of the bill, which will not take place for several days, hon. members will have ample opportunity to study its terms and consider their effect. At that time I shall endeavour to present such arguments as I may in favour of the enactment of the bill.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I am pleased to hear the hon. member say that he does not propose to move second reading before several days have passed. I would ask him, if possible, to give us some private notice of his intentions to move second reading.

Mr. CAHAN: I shall be very glad to consult with the Minister of Justice and to arrange for such day as may be convenient to him.

Mr. LAPOINTE (Quebec East): Thank you.

Motion agreed to and bill read the first time.

POST OFFICE ACT AMENDMENT

NEWSPAPERS AND PERIODICALS—PUBLICATION OF NAMES OF OWNERS, STOCKHOLDERS, ETC.

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 20, to amend the Post Office Act.

Motion agreed to and bill read the first time.

PRIVILEGE—Mr. MacNICOL

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, before the orders of the day are called I rise to a question of privilege—I

suppose I can call it that. In reply to a question I asked yesterday the Prime Minister (Mr. Mackenzie King) said: "My hon. friend is an older man than I am" and, I have the recollection that he said "has been longer in this house than I have been." I am happy to say that I am several years younger than the Prime Minister is, but I am very sorry to say that I have drawn twelve or thirteen fewer sessional indemnities than he has.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I must congratulate my hon. friend; I am only sorry he does not look younger.

Mr. MacNICOL: I might say, Mr. Speaker, that I don't dye my hair.

Mr. MACKENZIE KING: I haven't enough hair to dye.

PRIVILEGE—Mr. GARDINER

FREIGHT ASSISTANCE ON LIVE STOCK SHIPPED TO FEEDING GROUNDS

On the orders of the day:

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, before the orders of the day are called I wish to call the attention of the house, on a question of privilege, to a reference made by the hon. member for Qu'Appelle (Mr. Perley) to the Saskatchewan government. The reference is to be found at page 290 of Hansard.

I wired the provincial Minister of Agriculture, the Hon. J. G. Taggart, quoting the reference to freight paid on live stock from the town of Wolseley to the province of Manitoba. In reply I received the following wire this morning:

Hon. J. G. Gardiner,
Ottawa, Ontario.

In September we provided freight assistance on two cars sheep and one car cattle for Albert Schuster, Wolseley to Kemnay and in October one car horses and two cars cattle for David Laidlaw, and in November one mixed car containing horses and cattle for Wilfred Laidlaw, Wolseley to Gladstone. Understand Laidlaws have Perley property under lease, but do not know financial standing or recent earnings or cash revenue.

I wired Mr. Taggart this morning as follows:

Hon. J. G. Taggart,
Minister of Agriculture,
Regina, Saskatchewan.

In referring to Laidlaw Perley states, "he was refused assistance from the municipality. He was refused by the local inspector but he went to Regina and got it." My understanding is no one can get assistance of any kind without being passed by the municipality. Where there is doubt if your inspector cannot convince municipal representatives the man is refused assistance. Kindly wire me additional information at once if possible.

James G. Gardiner.

I received this wire from Mr. Taggart:

Hon. J. G. Gardiner,
Minister of Agriculture,
Ottawa, Ontario.

Both Laidlaw applications investigated and recommended by municipal secretary and our district representative. Schuster came to Regina to complete freight arrangements after his application had been approved by municipality. Laidlaw until recently tenant of Perley but declines to continue. Municipality advanced seed and supplies to value of four hundred eighty-two dollars fifty-four cents in 1937, being about half amount desired by tenant and landlord. Termination of tenancy by Laidlaw may partly explain criticism. Understand tenancy has been unprofitable throughout to Laidlaw which reduced him to circumstances necessitating aid in shipment of live stock out.

J. G. Taggart.

Some hon. MEMBERS: Oh, oh.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, on a point of order, it must be apparent to your honour that the observations which have just been made are wholly out of order, and directly contrary to the rules of this house. We are having introduced into a debate a statement made by one not a member of this house and reflecting upon a member of this house, a statement which has been met with cheers from hon. members opposite but which the rules say must not be made. I did not interrupt the minister before because I desired that he should conclude what he had to say. But I think the Prime Minister (Mr. Mackenzie King), as the custodian of the proceedings of this house, should make it clear that this procedure is not only contrary to parliamentary practice but is a direct violation of the rules themselves.

Mr. GARDINER: I would direct the attention of the house to the fact that I did not make any statement at all.

Mr. BENNETT: That is the point exactly.

Mr. GARDINER: I merely quoted the Minister of Agriculture of the province of Saskatchewan.

Mr. BENNETT: That is the very point.

Mr. GARDINER: I quoted a statement which he made with regard to an accusation against himself, made in this house. Since he is administering the expenditure of considerable money provided as a result of a vote of this house, I think it perfectly proper that the statement should be made here.

Mr. BENNETT: The rule is just the contrary to what has been stated by the minister. The minister has said that he made no statement, but by reading a telegram he is attempting to have someone who is not a member of the house make a statement in this house. The rules are very clear upon that point. The idea of the Minister of Agriculture of Saskatchewan speaking in this house through another mouthpiece is contrary to the rules of any deliberative assembly. No one can do that.

Mr. GARDINER: In reply to the right hon. gentleman I would like to point out that just about a year ago he did exactly the same thing. He read to this house a wire which he had received from Mr. John I. McFarland, giving information which he said was—

Mr. BENNETT: That is not an accurate statement, as one would expect. The wire which I read at that time was a distinct denial by Mr. McFarland of a statement which had been attributed to him and which subsequent events proved had not been made by him. That is not what is being done here. The minister has said that he has no statement to make, but that Mr. Taggart is making a statement in this house. That is an entirely different thing. The rules are very clear that one must not use his position in parliament for the purpose of enabling someone not a member of parliament to make a statement in this house. That would seem to be reasonably clear about a controversial matter and a statement to the effect that a certain man was a tenant of a member of this house and that that tenancy brought about his ruin. That is the sense of the statement and it should be stricken from the record.

Mr. GARDINER: In order to put it in order, I shall read the statement made by the hon. member for Qu'Appelle (Mr. Perley) which was quoted to Mr. Taggart. The telegram to Mr. Taggart of February 9 reads:

> Following statement made in house by Perley of Wolseley "two of my tenants shipped stock to feeding grounds in Manitoba, one shipped 600 sheep and the other shipped all his stock including horses and cattle. All are wintering there. Another man I know well shipped 100 head to Gladstone, Manitoba, where they are being wintered. This man is well known to the Minister of Agriculture because he was a contractor who from the government which held office prior to 1929 had received many contracts."

That is a direct reference to myself as Minister of Agriculture. He put this all on Hansard for the definite purpose that it might be used later in the province of Saskatchewan. I am within the rules in reading the telegrams as a complete answer to the statement which was made.

Mr. BENNETT: That is out of order.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, on a question of privilege, one man shipped from southern Saskatchewan long before I ever had anything to do with him or knew anything about him. As far as Laidlaw is concerned, the cancellation of his lease was sent to him by registered mail last July or August and he was no longer a lessee of mine when he moved out. As to Laidlaw's association with me causing his ruin, I may say that right from the very start this association has been most unsatisfactory to me. The result was the lease was cancelled and he was not a tenant of mine when he moved out.

UNEMPLOYMENT INSURANCE

STATEMENT OF FORMER SECRETARY OF STATE AS TO JURISDICTION IN MATTERS OF SOCIAL REFORM

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, before the orders of the day are called I should like to explain a reference made on Monday to a speech delivered by the hon. member for St. Lawrence-St. George (Mr. Cahan), in November, 1934. As reported in Hansard I stated that the then secretary of state declared in very definite terms that the jurisdiction to deal with unemployment insurance lay properly with the provinces. The speech of the hon. member for St. Lawrence-St. George, as reported in the Montreal Gazette of November 27, contains the following relevant quotations:

> It has been clearly decided that many matters now being discussed in the press and elsewhere relating to hours of labour, wages, price spreads, costs and profits, are exclusively within the jurisdiction of provincial legislatures.

Right Hon. R. B. BENNETT (Leader of the Opposition): This is entirely out of order. We may as well conduct the business of the house with regard to the rules. What right has the Minister of Labour to refer to something said by the hon. member for St. Lawrence-St. George as quoted in the Montreal Gazette? This matter might have been a part of his original speech, but it cannot by any possibility be brought up now as a matter of privilege.

Mr. ROGERS: If the leader of the opposition does not wish me to proceed, I am quite content. As a matter of fact, what I was about to say was in correction of a statement which I had made on a previous occasion. I

thought this correction should be made in fairness to the hon. member for St. Lawrence-St. George.

Mr. BENNETT: If it is a correction, it is quite within the rules, but the minister did not say it was a correction.

Mr. ROGERS: The second relevant quotation was:

> It is a proper matter for intelligent discussion as to whether the exclusive power of the provinces in matters of social reform should be considerably curtailed and the powers of the dominion correspondingly extended. Meanwhile until the British North America Act is amended by constitutional methods no good purpose can be served by either the dominion parliament or the provincial legislatures attempting illegally to exercise powers now fully vested in the other or others of them.

My hon. friend did not refer specifically to unemployment insurance and he has informed me that he did not have unemployment insurance in mind when he referred to matters of social reform as being within the exclusive jurisdiction of the provinces. I felt that I should make this statement in fairness to the hon. member for St. Lawrence-St. George, although he had not asked me to do so.

Hon. C. H. CAHAN (St. Lawrence-St. George): The minister could have made his correction very simply by stating that through a lapse of memory he had stated in the house that I had discussed unemployment insurance in Montreal, when, as a matter of fact, so far as I am aware, I have never discussed this matter in any address which I have made outside of this house up to the present time.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 9, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. T. F. DONNELLY (Wood Mountain): Mr. Speaker, when the house adjourned last night I was dealing with conditions in the drought area in western Canada, and I had referred to a series of radio addresses and articles in English newspapers by a Mr. A. G. Street with regard to conditions in western Canada. In these articles and addresses Mr. Street lays the blame for conditions in western Canada upon the methods of our farmers there. He says that we were mining the land, taking everything out and putting nothing back, and that that was the cause of our present conditions. I omitted to say last night, as I intended to say and wish to say now, that if his argument is sound that our conditions are due to our methods of farming, then the older sections of Canada would have no crop and the newer sections would be having crops, because it would be the older sections that would be mined and would run out first. But the very opposite is true. In the older sections of the country, in Manitoba, for example, they are having good crops this year, while in the newer sections, in the southern part of Saskatchewan where I come from, they had no crop. So that our conditions cannot be due to our methods of farming.

I want to deal now with what is being done for the people in the dried-out area, but before entering upon what this government has done, I wish to express my thanks and the thanks of the people of western Canada to all the people in the other sections of this country who, not only last fall but for the past seven or eight years, have been giving to us freely and cheerfully of their vegetables and their fruits and products of different kinds in order to help carry our people over the period of depression and crop failures. Our people in western Canada deeply appreciate the generosity of the rest of the people of Canada. We are thankful to them, and we hope the time will soon come when it will not be necessary for us to receive relief from other parts of the country.

I wish also while on this matter to express to this government, and especially to the Minister of Agriculture (Mr. Gardiner), the thanks of the people in that district for the carloads of vegetables, fruit, fish, cheese, and beans that were sent out there. It was well received and well distributed—and there was no politics in it, either.

Now I turn to what this government is doing for the people in that area in Saskatchewan. Let me say at the start that for purposes of relief the province of Saskatchewan is divided into two areas. There is, first of all, what we call the one hundred per cent area, consisting of 170 municipalities and several local improvement districts. In that area the federal government pays one hundred per cent of the cost of all the relief. Outside of that area there is a large section of the country on behalf of which this government gives to the province of Saskatchewan, first of all, a grant of one million dollars, to pay for feed and fodder for the people in that district; and they allow the province of Saskatchewan to borrow another million dollars for the same purpose. This govern-

ment also gives to Saskatchewan a grant of something like $230,000 a month for taking care of relief in other parts of the province.

I wish to deal particularly with the people in the one hundred per cent area, because that is the district we are concerned with, and it is the district the federal government is specially looking after.

The people in that district are better fed, better clothed and better looked after this year than ever before. I have talked, not to one or two or three but to many men in that district, and invariably they have said to me, one after another, "Doctor, I have more fruit, more vegetables, and more food in my celler with which to feed my family now than I had in the good years in Saskatchewan. What I say about myself is true of ninety per cent of the people in this district, but they do not want to admit it." Of course there are people who go round finding fault. There are always some people who can never get enough relief. There are also people who go round and carry on an agitation among the people inducing them to complain. Some of these agitators are irresponsible people, but I also know responsible men, men holding public office, men who should not do things of this kind, who have gone throughout the country, stood on public platforms and told the people in that district to sign anything and do anything to get more relief, urging people to be dishonest in order to get relief, and then more and more relief. How can we wonder, then, that there are people who are dissatisfied and who complain that they are not receiving enough relief?

With regard to this relief problem generally, perhaps I had better first outline the methods by which it is administered. The dominion government pays one hundred per cent of the relief in the area I have described, and the administration of that relief is entirely in the hands of the provincial government. The provincial government appoints relief inspectors, one for about every five municipalities. The application forms for relief are sent from Regina to the different municipalities, and the municipalities have the relief applicants come into whatever office they designate and make out their applications for relief. These applications, when filled out, are put to one side for the inspection of a committee. A committee is set up, consisting of a relief officer and at least two councillors. In many cases the whole council is on the relief committee. Every one of these relief applications is gone over by this committee. No applicant for relief can get his relief order increased or decreased or changed in any way except with the consent of this whole committee. Any changes that are made are made by the committee, so if any man's relief order is cut down or increased it is the fault of the committee and of the council, because the council comprises the majority on that committee.

When I hear that there are politics in it, when we are told that people have their relief orders changed because of politics, it is a complete mystery to me how that can happen, and I defy any man in this house or out of it to tell me of one individual in western Canada who has had his relief order changed on account of his political affiliations. No man is asked what his politics are when he applies for relief. There are some C.C.F.-ers and Conservatives in that area, and naturally some of them will slip in on the municipal councils in western Canada, but of course the majority of the people there are Liberals and the majority of our councils are Liberals. These committees are not political machines by any means, and these men are not swayed by politics in the administration of relief. There is no federal politics in it, there is no provincial politics in it. There may be a little municipal politics; sometimes a councillor favours one of his neighbours because he thinks he will vote for him at the next municipal election, or something of that kind. It is said that these relief officers are going around the country building up a great Liberal machine. So far as that is concerned, I have only this to say. I know only one or two relief officers in my constituency, but if I were selecting men to build up a Liberal machine I would choose a far different type of men from these officers; I would look for men who were more effective along the political line and not men who were so favourable to some of my opponents.

Let me now deal for a moment with feed and fodder. Early last summer we realized that there would be a shortage of feed and fodder for stock in the west. The government in its wisdom decided to pay the freight in order to allow the people to ship the cattle out to pasturage. I do not believe that very much of this was done in my section of the country. We have been doing this for the last four or five years and we have not found it very profitable. Invariably when we have shipped horses or cattle they have come back in the spring poorer than when they went out; a great number of them have died, a great many have never come back. Horses and cattle shipped from that short grass

country that I come from, when they go into the north or into Manitoba do not do so well; it takes them a long time to become acclimatized and they do not thrive on the feed they get there. Some of our people last fall shipped cattle into Manitoba. They weighed them before they left and after six weeks the cattle weighed less than they did when they were shipped from Saskatchewan and they had good pasturage. We did not find that practice a good thing. It may be better in other sections of the country, but we did not find it so.

The government, however, put into effect a program whereby they bought cattle and shipped them out of the country, and this is one of the best things it has done for the cattle raisers of the west. I have not heard one complaint with regard to the buying of cattle. There was an independent commission buying cattle, and shipping points were established throughout the province. The cattle raisers were notified when shipments were going to take place and were asked to bring in their stock. Again, some of our agitators went about the country and said to the farmers, "Don't bring in your cattle and offer them to the government; you will have to give them for practically nothing." The result was that some people did not bring in any cattle, and when the shipping day came these people came to town to see what was going on. When they found that the buyers were paying the prices that were actually being paid some of them rushed home and tried to get their cattle into the market. The next week some of them drove across the country, twenty-five, thirty and forty miles, herds of cattle which they sought to market at other shipping points.

Let me give an example of what I know with regard to the price of cattle at that time. One man had a herd for which he said he was willing to take $350. About two weeks after the government initiated this program I saw this man and he told me that he was going to hold his cattle and sell them to the government. I told him I thought he was well advised. About a week before the shipping day a buyer came around and this man took him to his farm. The buyer asked him how much he wanted for his cattle, and the farmer said he would take $550. The buyer laughed at him, but, pointing to a particular animal, he said he would give $40 for it. The man said he would not take $40 for it. He said, "I will let the hair go with the hide to the government." The government officials came the week after and bought that stock, and that farmer got, not $350, not $550, but $640 for the lot; and the animal for which he was offered $40 he sold for $62.

I do not know of any man in the whole of my constituency, or anybody in any other part of the province, who was not satisfied with the price received for stock sold to the government buying agency. My hon. friend from Weyburn (Mr. Douglas) referred to a price of $12, $13 or $14 for a milch cow. It must have been many years ago that that was a milch cow; it was one of those canners and cutters. I doubt whether the hon. gentleman would know the difference between a canner and cutter and a milch cow.

Mr. DOUGLAS (Weyburn): I know a Liberal.

Mr. DONNELLY: Yes, but you don't know the difference between a C.C.F.-er and a Social Crediter. You would not tell the people which you were before the last election.

The only complaint I have to make with regard to the cattle buying program was that they did not buy enough; I should like to see them buy more. After it was discovered that such good prices were being paid, sixty or seventy different shipping points wrote to the government and asked them to have another shipping day.

Mr. GARDINER: Ninety-two of them.

Mr. DONNELLY: Ninety-two of them asked for another shipping day so that more stock could be disposed of. We should like to see the government do this every year. The cattle held by the ordinary farmers in the west—not the ranchers—were more or less nondescript. There were some Holsteins mixed with beef cattle and coarse breeds of one kind or another, so that there was nothing but a mixture, and the best thing to do with these cattle was to get rid of them, so as to make way for a better class of stock next year. That will be better for the cattle raisers and the farmers themselves. I would urge the Minister of Agriculture to see next spring that steps are taken to help these people to establish better herds than they have had in the past, and for this very reason I think it would be wise to ship more. The idea of putting from $25 to $35 worth of feed into an animal worth only from $20 to $25 is foolish.

The next problem was to look after the stock that was left and to make provision for their fodder. In this connection, some people are of the opinion that nothing has been done. For shipment into the province

of Saskatchewan there have already been purchased 6,500,000 bushels of feed oats; 2,000,000 bushels of barley; 1,250,000 bushels of wheat, and corn and mill feed. All this is ready for shipment. Then we have the coarse feeds. Some people here talk about shipping crews into Manitoba to cut feed. We tried that for a couple of years and found that it was an expensive business. Not only that, but some of our people last fall went from our own municipalities in western Canada to bale hay and feed, but the weather was so wet that they could not make it pay and they came back, not having baled very much. We did find that on account of wet and bad weather in Manitoba and Alberta many farmers there would not leave the cutting of their crops to cut feed, and I do not blame them much. But when I came here and said to hon. members from different parts of Manitoba, "There was lots of feed not cut in your section of the country, lots of hay?" invariably they told me the same thing, that there was no hay worth anything not cut in their districts. They said that any hay that remained uncut they would not haul five miles from the slough to feed any kind of stock. Most of the hay in Manitoba was cut. The hon. member for Rosetown-Biggar (Mr. Coldwell) spoke of seeing burning stacks of straw. Well, Manitoba had quite a lot of straw last year, but much of it was rusted, and a lot was filled with sow thistle. Rusted wheat straw and sow thistle are not very good feed for stock. It was burnt because it was of no value whatever.

Then we had another hon. member speaking about the commission for which the pool offered to look after feed. He mentioned 75 cents; I understood it was 50 cents. That commission was to be paid to the pool on top of the price. The price for No. 1 hay was $8.50 and they wanted 50 cents in addition to that. But in fact there was no commission paid to anyone. No commission has been or is being paid to anybody anywhere to buy hay for western Canada. Three councillors came to me last fall; they wanted to go to Manitoba and bale hay. They wanted to get a baler, and we tried to get one for them. While we were trying, one of them said: "You know, I can get lots of hay in Manitoba, anyway. I have had offers; I have letters here." I asked him what they wanted. He said, "They want $5 to $7.50 a ton." "Have you got the letters?" "Yes." "Well, then, here is fifty cents; send a night letter and order 100 carloads of hay right away." Another man sitting there also said, "Here is fifty cents; send to that other fellow and order 100 carloads right away from him and ask him when he can deliver it and at what price." We got a wire back next morning saying they did not know when they could deliver, and the price would be $9.50. These were just commission merchants trying to make a little money buying and selling feed. All the feed available in Manitoba and in Alberta has been bought, and we believe that our stock will be well looked after and is being well looked after at the present time.

Now, as to this question of how much stock a man is allowed to keep: the government said, "Tell the people and tell them plainly that this is an emergency measure, that it is only for people who are in need, for people on relief. The government will help a man to keep two or three or four head of stock, or even five, depending upon the size of his family. But if he is able to feed five or six head of stock himself we are not going to give him any feed at all." Some farmers of course said, "I can feed ten or fifteen head of stock, and the government is going to feed five more; so I will keep fifteen or twenty," and they were surprised when the government said, "No, we are not going to give you any feed." Feed was short; why should the government feed stock which a man was able to keep himself? If he was able to keep five or ten or twenty head of stock, he could buy his own feed. It was this misunderstanding that brought about a lot of difficulty.

We have heard a dire tale about animals dying around the country. Well, stock has died in western Canada ever since I have been there, and will continue to die. I investigated a lot of these tales myself. Invariably when I went to the man and asked how old the animal was, he would reply, "Well, eighteen or twenty years." It should have been shot two or three years ago. That is what I found. Some of our United Farmers of Canada lodges, Saskatchewan section, kept writing to the president complaining that unless something was done the stock was all going to die. I want hon. members to notice that; it was "They will die," not "They have died." They were prophets, prophesying what was going to happen. Mr. Bickerton, the president, became alarmed and sent a circular letter to the different United Farmers of Canada lodges. Let me read a section of it:

> Prior to sending the telegram to Mr. Gardiner—

That was a telegram stating that he had received all these letters predicting that so much stock was going to die.

> —we had received numerous letters from lodges stating that horses were dying or being shot because of lack of feed, fodder and shelter . . .
>
> We trust that you will realize our position in this matter. We have taken a strong stand.

The governments differ with us. Now we want you to either back us up to the limit or tell us that the information we have already received is wrong and the government is right. If we are right wire Hon. Mr. Gardiner at Ottawa, Mr J. Taggart at Regina and the Regina Leader Post, the Regina Star and the Western Producers something to the effect that "the telegram to Mr. Gardiner from the U.F.C. officials is a true statement of conditions." If telegrams are too expensive write to these various parties and papers, but above all write to us by return of mail and tell us the truth about conditions in your district now.

It was due to this letter being sent out that these articles which were read by the hon. member for Qu'Appelle (Mr. Perley) were published. Notice what he said about them. One of them is from the town of Indian Head, one from Broadview, another from Grenfell. I drove over that district myself from Indian Head north—I have a farm north of there—and I saw more feed in a five mile drive out of Indian Head than there is in the whole of my constituency; if animals are dying there it is because the people are too lazy to feed them. But that district the hon. member referred to is not in the one hundred per cent area at all.

Mr. PERLEY: Some is in the one hundred per cent area.

Mr. DONNELLY: Those three places are outside the one hundred per cent area. I shall deal with the others.

Then next the hon. member said something about the towns of Halbrite, Midale and Macoun. That is down in the south country, a long way off, pretty safe to talk about. This man he mentions wrote an article to the newspaper from down there, as the hon. member for Qu'Appelle said. But here is a letter from another man in the same district in reply to that; this is what he says:

> No truth exists in the statement of the United Farmers of Canada that thirty per cent of horses in the Macoun, Midale and Halbrite districts are sick, dying or dead from starvation.

In a letter to the Regina Leader-Post, Mr. P. B. Peterson, of Midale, said:

> In November and the first part of December hay was rather scarce in this municipality, although we had a good supply of straw. But at present most farmers at least have a fair supply of hay and straw.
>
> During the good years, when feed and fodder was plentiful, there was always a certain number of old horses that died.
>
> I think the government has done wonderfully well in supplying us with the feed and fodder they have up to the present time.

So that settles the Midale and Halbrite complaints of the hon. member for Qu'Appelle.

Mr. GARDINER: No more letters came in?

Mr. DONNELLY: No more from that man; he never wrote back about it again. Then there was an indefinite place down in the southern part of the province.

Mr. SPEAKER: I am sorry to have to tell the hon. member that he has exhausted his time.

Mr. DONNELLY: I will finish in five or ten minutes.

Some hon. MEMBERS: No.

Mr. DONNELLY: Perhaps less than that. I only want to say that the other complaints were very indefinite. They are the sort of thing I have investigated personally. There was one man down at Verwood who said he had some horses die. I was in that district, which happens to be in my own constituency. There were horses that died there, but there have been horses die all over the country ever since that has been a country. The death rate among horses, cattle or stock of any kind is about five per cent every year.

Mr. SPEAKER: Do I understand that the hon. member has the consent of the house to complete his remarks?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Go on.

Mr. DONNELLY: I just want to say that the province of Saskatchewan made an investigation in a number of municipalities scattered throughout the province, in order to get what they considered to be a fair sample of conditions. They found that the death rate this year was going to be practically the same as always; about five per cent, no more and no less. It may be possible that we will have a little higher rate this year. Many of our young horses have been shipped out of the country; we have nothing left but old horses, and naturally more of them may be expected to die, but the death rate this year presumably will be about the same as it has been in the past, about five per cent.

Mr. DOUGLAS (Weyburn): Would the hon. member mind saying what municipalities were included in that investigation, just for the information of the house?

Mr. DONNELLY: I could not say. My instructions are that Mr. Taggart picked out representative municipalities throughout the province and had a survey made, and it was found that the death rate would be about the same as it had been in the past.

Mr. C. G. MacNEIL (Vancouver North): Mr. Speaker, I share the views expressed by

my colleagues in this group as to the inadequacy of the legislative program outlined by the government. At this time I do not intend to state my personal views in regard to the policies under debate; I desire to direct the attention of the house to certain conclusions reached by representative and non-partisan bodies across Canada as to the necessity for definite action by this parliament to deal with the need for low cost and low rental houses.

I believe there is general disappointment that in the speech from the throne there has been no reference to this important subject. Statements previously made by members of the government had given rise to the hope that during the present session some advance might be made to relieve the acute housing shortage and thereby lend impetus to economic recovery. I believe members of all parties would welcome such an advance, and, I am sure, hope that the plans of the government hinted at elsewhere may mature at a very early date. There is an amazing unanimity of opinion everywhere that additional measures can and should be undertaken now by the government to meet this pressing problem. Definite action in this direction would be less costly than further delay. In any event many members must feel, as I feel, that in this house we should lend support to the splendid service rendered by public spirited citizens in many groups across Canada in reference to this problem. I refer particularly to those associated with the National Planning and Housing Association. Their approach to the question has been based wholly on considerations of public welfare. They have brought out the undeniable fact that proper housing is as much a matter of public interest and public welfare as the maintenance of a pure water supply. They have shown that the conditions of a complex industrial society make it impossible for governments to avoid assuming increasing responsibilities to assure to every individual a decent minimum of shelter.

The omission of any reference to this subject in the speech from the throne is all the more significant because of the recommendation contained in the interim report of the National Housing Commission, which report was placed in the hands of the Minister of Labour (Mr. Rogers) in July of 1937. The recommendation in connection with housing construction reads in part as follows:

> The commission recognized the desirability of a rounding out of governmental housing policy, particularly as regards accommodation for those unable themselves to afford an economic rent—often associated with slum clearance. Action in this field was considered necessary both from the viewpoint of eliminating a social sore all too prevalent, especially in the larger cities, and because of its effect in stimulating employment in the construction field. This employment stimulus the commission considered would be felt directly, and also indirectly through the impetus that would be given to the Home Improvement Plan and to the Dominion Housing Act.

Again, in another section of the report, the commission states:

> In making this recommendation the commission was influenced by the fact that Canadian governmental bodies had expended some $14,000,000 in 1936 to rent accommodation for relief recipients, and that in many instances such accommodation was unsanitary and unsuitable in the extreme. The commission feels that such a situation should not be allowed to continue, in that it breeds conditions tending to increase unemployment by decreasing the employability of numbers of workers, thus making it harder for them to secure employment.
>
> The plan recommended by the commission was put before the minister some time after the opening of the parliamentary session of 1937, and it is understood action thereon has been held over. As the government stated on September 10, 1936, that it accepted certain general principles laid down by the commission to govern its intended attack on this important branch of the housing problem, it is hoped that action may shortly prove possible.

In view of the circumstances related in this report it is not unreasonable to expect that the government should take appropriate action this session to implement the recommendations of the commission. It would also seem most unwise to disregard the recommendation on this score of the Canadian federation of mayors and municipalities. This federation represents the local government of more than five millions of the population of the dominion. In the submission of this body to the royal commission on dominion-provincial relations it is recommended:

> That the federal government enact a national low rent housing act.

This recommendation was based on the following considerations:

> (a) It has been demonstrated that a substantial proportion of the urban population lives in sub-standard houses and in neighbourhoods that are injurious to health and morals, conducive to delinquency and destructive of family life.
>
> (b) It is also true that private enterprise and local authorities have found no way thus far to provide decent housing for those with low incomes. Competent spokesmen for private enterprise admit that the provision of housing for this social group is beyond their ability. Local authorities are unable to function without financial and other help from the senior governments.
>
> (c) The provisions of the Dominion Housing Act (1935) are unsuited and inadequate to facilitate a housing program for the low-wage income group.

(d) Therefore, in order that a large proportion of our urban families should not continue to live in unfit dwellings, and to supply the urgent need for housing facilities, conforming to an acceptable minimum standard for the low income groups and thus to attack the serious problems of health, welfare and order, which are directly related to inadequate housing, the municipalities of Canada recommend that:

(1) A national policy should be adopted for rehousing the low income groups at acceptable minimum standards, as a cooperative undertaking by federal, provincial and local governments, and private enterprise. This policy should be designed to stimulate local initiative, recognize local circumstances, and vest the control, save in exceptional cases, in the local authorities.

(2) The federal and provincial governments should extend, in accordance with local needs, financial assistance conditioned on the existence of a comprehensive city plan and a housing program meeting satisfactory standards.

(3) Financial aid should be either in the form of capital grants, long term, low interest loans, or annual rent subsidies.

Here you have the recommendations of practical men who are close to the problem and who have had every opportunity to measure it and to gauge its difficulties.

I submit it is becoming more and more apparent that existing provisions of the Dominion Housing Act, 1935, do not adequately meet the situation. The reasons are obvious.

Here I would say that a good deal of praise is merited by the officials in charge of the administration of the act. They have done much to increase the scope of its usefulness. I do not wish to minimize the value of the pioneering work done, or the importance of plans now under consideration. I believe the information made available with respect to operations under the act indicate definite limitations which exclude the possibility of relieving the housing shortage, or of providing houses for those who need them most.

I wish briefly to touch upon the latest statistics available with regard to operations under the present housing program. The total loans as of December 31, 1937, amounted to 2,150. The total number of family units provided for, by such loans, stood at 3,018, while the total value of loans was $13,034,858.

These statistics should be considered in conjunction with the reports of the construction industry. In 1934 there were 10,135 residential contracts in the dominion, having a total valuation of $30,588,100. In 1936 the number of residential contracts increased to 13,606, with a total valuation of $42,857,900. In 1937 the 18,284 residential contracts had a valuation of $56,207,000. It is true that these statistics indicate an important gain, but when we compare these figures with the estimated shortage of housing they at once appear pitifully inadequate. It becomes painfully clear that operations under the act do not even touch the fringe of the shortage, and that more extensive measures are sorely needed.

In this connection again we must note the serious backlog in the construction industry. Going back to 1929 we find the total value of construction work stood at $576,651,800. Then, in 1933, at the low point of construction in Canada, the valuation was $97,289,800. In 1936 an increase is indicated to $162,588,000. According to the latest records construction contracts in 1937 were valued at $224,000,000. It may be unwise to attempt to express this backlog in terms of dollars and cents, but there is sufficient to show that it is serious, and that the construction industry is lagging behind all other major national industries in Canada.

In 1931, according to census statistics, there were 2,252,729 households in Canada. In 1937 the number was estimated at 2,350,000. The estimated increase in population since 1931 has been at the rate of 130,000 per year, or 30,000 families per year. It will be seen at once that we are building only about one-third the number of houses required to keep pace with the growth in population and we are making no adequate provision for the necessary replacements. It has been reliably estimated that the total shortage of houses in Canada exceeds 300,000. When we consider operations under the act we find that up to December, 1937, the number of loans in British Columbia stood at 253. Vancouver city alone reports a housing shortage of over 12,000. Loans in the province of Quebec totalled 992, while in the city of Montreal 40,000 houses are required to make up the shortage, and that figure does not include the requirements of necessary slum clearance.

Then, there is another phase of the problem with respect to operations under the Dominion Housing Act. The average loan per family unit for the entire period ended December 31, 1937, under the Dominion Housing Act has been $4,319. The lowest average loan for any three-month period during 1937 is shown to be $3,806. Only 756 family units were financed by loans under $3,000. When we face realities with regard to the distribution of income in Canada we realize why the present housing program cannot be expected to serve the needs of those who are now without proper housing facilities. Detailed studies of this phase of the problem have been prepared and published by Mr. H. L. Seymour, planning and housing consultant of this city.

It is estimated that in 1935 there was a total income of $3,750,000,000 earned in Canada by 3,800,000 persons receiving wages and salaries, or their equivalent. It is shown that of the gainfully employed:

Only 10 per cent received an income of $1,700 or over.
20 per cent received an income of $1,120 or over.
30 per cent received an income of $ 980 or over.
40 per cent received an income of $ 900 or over.
50 per cent received an income of $ 800 or over.
60 per cent received an income of $ 700 or over.
70 per cent received an income of $ 560 or over.
80 per cent received an income of $ 400 or over.
90 per cent received an income of $ 230 or over.

This shows that more than half the wage earners in Canada received less than $850 per annum. It can be shown that if under the housing act we allow 25 per cent of income for amortization and taxes, which is a reasonable percentage, it would require an income of $1,700 per annum to provide a payment of $35 per month towards the purchase of a $5,000 home. On the average, only those having this income, or more, could save the 20 per cent down payment necessary under the housing act. Certainly we can hardly expect more than ten per cent of the new homes to be built under the present plan.

It is believed, however, that a program could be launched to enable payment for a $3,000 home over a twenty-five year period on the basis of monthly payments of $14, representing approximately 20 per cent of an income of $850. Less than this income, as I have stated, is received by half the wage earners in Canada.

While giving consideration to the question of income in connection with the problem I am compelled to refer to the plight of the unemployed on relief who are herded together under housing conditions which are a disgrace to our communities. I must remind the house again that federal, provincial and municipal authorities during one year subsidized these housing conditions to an amount of $14,000,000, by way of shelter allowances. Certainly it would be better and more constructive to subsidize better housing conditions. While there were approximately 1,000,000 persons on relief, about $135,000,000 was paid out in that year for relief allowances by federal, provincial and municipal authorities. That amounts to about $135 per person, or $620 per family. One will readily see that there were few families on relief which could pay more than $8 or $12 per month for shelter, and consequently many of these people have been living in dilapidated houses unfit for human habitation. At the same time statistics show that there were 1,750,000 persons in about 385,000 families which had an estimated family income of $620 or less, and an average income of well under $400. A number equal to or greater than the number actually in receipt of relief were receiving incomes as low as or lower than relief standards.

The lesson from this experience is plain. Private enterprise seeking profitable investment at prevailing returns cannot provide decent shelter for the low-wage income group. Professor Urwick of the university of Toronto aptly describes the situation when he states that the economics of the problem are "ridiculously simple." He says further:

> The poor have not got decent homes because they cannot pay for them; no one attempts to build better homes for them for exactly the same reason. There is no money in low-cost housing; it is doubtful whether it can ever be low-cost enough. For the present, private enterprise does not come into the picture at all, no sane individual or company would touch the business. So the case for state aid does not need to be proven, it is patent on the surface.

Someone said recently that our society is divided into two classes, those who have more dinners than appetites and those who have more appetites than dinners. The same may be said of the disparities apparent in the housing accommodation of the Canadian people. Some dwell on the sunny side of the fence while the many dwell in the shadows. That which lurks in the shadows threatens the well being of the whole community. I consider that this house has definite responsibilities in this matter which can no longer be evaded.

It is not to our credit that Canada is far behind many other countries in carrying out a housing program. I might refer especially to Sweden, Holland, Belgium and Great Britain. In England and Wales 3,300,000 household units have been constructed from the war up to March, 1937. In proportion to population that is over four times what we have accomplished in Canada. We can learn about housing from Great Britain. We can learn that any stimulus to the building industry is passed on to other industries and has startling and cumulative results. Mr. Herbert N. Casson, writing in Maclean's magazine, has the following observations to make of the results.

> British bricklayers are overwhelmed with orders. They have not been able to produce enough. Almost every day, ships come to Britain loaded with brick from Belgium.

Many timber merchants have had to double their staffs. Practically every furniture factory is working overtime. Decorators and paperhangers have never in their lives been as busy as they are to-day. Britain is building houses.

And again:

By 1931, a building boom had begun. More than 130,000 houses were built in that year by private builders. Since then the boom has continued. At present it has reached its highest point and is confidently expected to go higher. To any tourist, the most striking feature in Great Britain is the vast number of new houses, and houses in course of construction, most of them on the outskirts of the towns and cities. At last, in spite of a bad start, Britain has succeeded in solving her housing problem.

I think it is agreed by all that any stimulus to the building industry has an immediate effect upon other industries. I submit that the findings of the public bodies to which I have referred, and the various reports which have been published, make it abundantly clear that the situation in Canada with regard to housing is grave. The Montreal Metropolitan commission undertook a survey which was carried out in a very painstaking manner, and I think the report they made is more than fair. They do not attempt to exaggerate the situation in any way. A total of 4,216 houses were inspected and the following conclusions reached:

According to the Central Housing Committee, Washington, D.C., in a recently published glossary of housing terms, a slum is defined as "an area in which dwellings predominate that because of either dilapidation, obsolescence, overcrowding, arrangement or design, lack of ventilation, light or sanitary facilities, or a combination of these factors are detrimental to the safety, health, morals, comfort and welfare of the inhabitants thereof."

If we accept the above definition, we are bound to affirm that there are districts in Montreal which can aptly be described as "slum areas."

They probably do not dramatically reflect each and every one of the characteristics mentioned in the foregoing definition. Overcrowding is not in wide evidence. Sanitary facilities are, on the whole, passable. But these districts do embrace predominantly old housing. Much of it is obsolescent, a considerable portion of it is dilapidated. The arrangement or design of the dwellings, either in their structural defects or the manner in which they are crowded on the land, along with "a combination of other factors are detrimental to the safety, health, morals, comfort and welfare of the inhabitants thereof."

In this sense Montreal has a slum problem.

The report continues:

As such, they represent an economic liability, the social costs of which are too expensive a luxury for us to indefinitely continue to tolerate.

Passing across the country, we find the following statement made by Dr. T. A. Lomer of Ottawa:

The scarcity of reasonably low rental houses is so great that the health department has not been able to take action to abate overcrowding except in the most extreme cases.

The chief inspector of the health department at Winnipeg has this to say:

From time to time this department has drawn attention to the increasing congestion by the conversion of one-family dwellings into tenements or multiple dwellings; housing from two to ten families. Nothing was being done to such houses to make them fit for multiple occupation, except that in order to attract tenants, gas stoves were installed in the various rooms. Pages have been written about the undesirable conditions thus being created; the lack of adequate plumbing, want of ventilation, occupation of cellars and attics, danger from fire, danger from communicable disease propagation, increased expense to the city for hospitalization, the moral effects of such conditions, etc.

And again:

—during the past five years, only one house or suite has been provided for every ten marriages.

An authority in Saskatchewan has this to say:

Saskatchewan has the doubtful honour of being the most overcrowded province, from the point of view of housing, in the entire dominion.

The report of a special committee appointed by the city council of Vancouver to investigate housing conditions contains the following paragraph:

Apart from overcrowding, a very unfortunate condition is being perpetuated in connection with dilapidated, and in some cases, condemned dwellings. Under ordinary circumstances, these buildings would stand vacant, or be demolished, but the great lack of suitable accommodation has forced people to occupy these premises to the detriment of their health and well being. The rentals obtained are small and, therefore, the landlords will carry out no repairs, nor make any improvements; thus, damp and cold add their toll to the misery of the occupants.

This report is signed by Helena R. Gutteridge, chairman of the building, civic planning and parks committee. The Vancouver branch of the National Planning and Housing Association has this to say:

There is at present an acute shortage of housing accommodation in Vancouver. Apartment house surveys reveal that less than one per cent of the suites are vacant, and the position with regard to the cheapest types of accommodation is worse still. It is practically impossible to find a vacant house in the poorer districts.

The housing shortage not only results in overcrowding; it also prevents the effective

enforcement of the sanitary and zoning by-laws, since it becomes impossible to remove tenants from insanitary dwellings. The reports of the medical health officer indicate that there are many buildings occupied as dwellings which would not ordinarily pass for that purpose.

A recent civic housing survey revealed serious overcrowding and slum conditions in many rooming houses. It also disclosed that over 600 persons (including children) are living in shacks or houseboats on the waterfront, all without sewage facilities and mostly without a direct water supply. Unless active measures of prevention are immediately undertaken, these conditions will continue to spread and multiply.

The population of Vancouver has increased by over 12,000 during the last two years. New houses built during this period provided accommodation for less than half this increase in population, and were mainly of a type far beyond the means of the lower paid sections of the community. Marriages deferred from the depression, the "unscrambling" of families, and the steady decline in the size of the family unit, has still further aggravated the situation.

They give the number of houses and apartments which have been built in Vancouver during the last six years. The report continues:

It is estimated that an annual output of at least 2,000 houses a year for the next six years is required to make good the existing shortage.

At the date of the 1931 census, nearly 40 per cent of the families renting houses in Vancouver were paying under $25 a month in rent, and their average income was approximately $70 per month. Allowing one-fifth of income for rent, the average rent which this group can afford to pay is under $15 a month. About half of the population own (or have an equity in) their own homes. The other half, and probably a good proportion of those who have attempted to buy their homes, have, for the most part, neither the capital nor the stability of income to justify house purchase.

Unassisted private enterprise cannot build satisfactory houses to rent at under $30 per month.

The 1935 Housing Act does not touch the problem of the lower paid worker, since the average cost of the 154 houses (including land) so far built in British Columbia under the act, is over $4,400. Direct governmental assistance for low cost housing is therefore essential.

8. The key to the situation is cheap finance, since financing charges usually represent well over half the net rent. The dominion is alone in a position to provide this financial assistance, and without it the municipalities are powerless to act.

He goes on to point out:

Public responsibility for housing conditions has been accepted in Europe for many years.

I think it has been made abundantly clear that the situation is grave and demands action by this parliament, and I urge that such action be taken soon. When we review housing conditions across Canada, I think we will agree with the statement made by Professor Percy E. Nobbs, in a report of a recent survey of the situation in Montreal in conjunction with the junior board of trade:

Private enterprise has never been able to cope with the problem of providing decent accommodation at these rentals for low-wage families. Large-scale operations and corporate management combined with a measure of social service are the only solution . . . Bad housing is often profitable to the landlords, but never to the community; for it carries with it vast economic burdens, many of which are calculable to a fraction of a cent—hospitalization, juvenile delinquency, etc. It is on purely economic grounds that I urge rehabilitation loans to retard the growth of slums, and large scale housing operations, as a prelude to slum clearance later on. The alternative is to see society destroyed by the mounting burdens due to bad environment.

I submit that in view of these conditions so well described, it would be not only sound economy but wise statesmanship to introduce without delay a measure to extend the housing program to provide low rental and low cost houses.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, some of the measures to be submitted to parliament during this session deserve the very serious attention of the legislator. Trade agreements, constitutional amendments, unemployment insurance, assistance to agriculture, the economic situation of the country, constitutionality of legislation, repression of agitators, and all that is required for the sound administration of the state. As to trade agreements, not only do they contribute largely to Canada's economic recovery, but they help to establish peaceful relations between nations. Were those their only advantages they would deserve the most careful attention of the people's representatives and our whole-hearted support in so far as they tend to benefit our people.

In this troubled world the efforts of our rulers should tend solely towards peace, the creator of initiative, of work and of happiness, but nothing is more difficult to-day than to unite the best elements of the country for the attainment of that ideal. The endeavours of statesmen to give to the country the best possible administration are constantly beset by the most serious obstacles. However, in spite of adverse winds, the ship is making for the port where prosperity so long in sight, awaits its arrival.

Let us not forget, sir, that it is by farming that we have lived as a colony and that we shall survive as a nation. That is true not only of Quebec but of all the provinces of Canada. To the great agricultural industry I am resolved to bring, as in the past, all my help and the experience I have acquired

in this chamber. As to the matter of unemployment insurance, it should in my humble opinion be approached with the greatest care and considered only to the extent that it will put an end to the depressing and disastrous method of direct relief. I go further: better have no unemployment insurance than allow provincial prerogatives to suffer.

During the past week there has been the question of submitting certain provincial laws to the consideration of the supreme court. One of these laws is known as the "Padlock Act" passed by the Quebec Legislature. At all events, should the highest court of the country hold this law unconstitutional, it would be the federal government's own duty to take immediate measures to curb agitators, by whatever name they call themselves. All revolutionary movements and organizations should be promptly, firmly, energetically and effectively suppressed by the government. For do they not constitute an attack upon established authority? Do they not provoke deep reactions among the masses, thus preparing the decline of the authority of the state and the constitution of the country?

Nobody will deny that for some time there has been a marked improvement in more than one sphere. The number of relief recipients was reduced. Better prices prevailed for certain kinds of farm products. However there is still room for improvement from a social and economic viewpoint. Small wage earners and farmers wrere the most severely affected by the economic unrest which prevailed during these last few years. Our young people were in great distress. The governments made commendable efforts to remedy these deplorable conditions. However, we need something besides theories, speeches, and lectures, in order to reestablish the condition of all classes in our community. From the people we require initiative and enterprise; from the governments, efficiency in their administration, and a clear vision of present requirements. Thus, the present government, who enjoy the confidence of the people, may carry on their work or reconstruction, in the interest of the country and its ratepayers.

Since the speech from the throne allows the members to make all the suggestions which they consider as being in the public interest, I shall draw the attention of the government to the small salaries which are being paid to our rural carriers for the carrying of his majesty's mail, in certain parts of the country. Some may contend that these carriers have freely agreed to the salary they are getting. It is true that contracts are let out only after a call for tenders. It is also true that, except for some serious reasons, the contract is awarded to the lowest bidder. Is that a good reason to deprive these carriers of the reward of their labour? I know some pitiful cases where carriers have been operating at a loss for two years.

Mr. Speaker, on all sides you hear of nothing but social justice, minimum wages, and fair remuneration of labour. Still, rural carriers, who shoulder great responsibilities, are most unfairly treated, when you consider the expenses they incur to carry out their work for his majesty. I regret very much to be precluded by the rules of this house from introducing a bill in order to grant these rural mail carriers a reasonable salary and a fair remuneration. In fact, only a minister of the crown may introduce such a bill. That is why, for the sake of fairness, and justice, I would ask the hon. Postmaster General (Mr. Elliott) to submit to parliament the necessary measure, since I have not the right to do so myself. Otherwise, the government will give the people the edifying spectacle of men being exploited while carrying his majesty's mail. I shall probably be told in reply to my request that the Post Office Department and the carriers are already bound by a contract. An empty excuse! When any legislation in force constitutes a denial of justice toward the people of a country, the first duty of the government is to amend it or to substitute another therefor. Besides, it would be easy, in the notice calling for tenders, to fix a minimum annual rate of, say, $35 per mile provided of course, the government were satisfied that the tender system was the best one. Moreover, in the notice and request for tenders it should be clearly and definitely stated that any tender involving a rate of compensation lower, for example, than the annual rate of $35 per mile, shall be deemed null and void.

Mr. Speaker, I should have liked to discuss other problems of national importance, such as the defence estimates. But "all in good time," as the saying goes. Therefore, when the National Defence department's estimates are brought up in the house I shall, as I have done before, consider and discuss them in such a manner and spirit as appear to me in the best interests of Canada. When that troublesome question comes up, I shall be governed by no other consideration than the love of my country and its welfare and progress.

In concluding, I wish to tell the house that I shall, again this year, insist upon the application of a seasonal tariff for the benefit of

truck gardeners in my constituency and in the whole country. When, at the very first session of this parliament, the government gave favourable consideration to my resolution requesting a seasonal tariff for fruit and vegetable producers, an immediate improvement was noticed in the selling price of these nationally important products. Truck gardening holds a prominent place in the economic life of Canada. Therefore, not only should the government help that industry to preserve its present standing, but it should also promote its development in the best interests of the Canadian people.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, a member sitting in this corner and being from Alberta can hardly rise in this house to-day without adverting to the now famous Powell and Unwin case recently concluded. The press has had a good deal to say during past months concerning this matter, and in yesterday's newspapers we read of the telegram that had been sent the right hon. Minister of Justice (Mr. Lapointe) from the Attorney General of Alberta requesting the full remission of these sentences. To-day's press carries the news that the Minister of Justice has not seen his way clear to granting the request. The charge against these gentlemen would appear to be, and is generally accepted to be, actuated by political motivation. This being the case, one might be excused for having entertained the hope that the Minister of Justice would see his way clear to grant the dignified request of His Majesty's Attorney General for the Province of Alberta, especially when it is borne in mind that Alberta's attorney general, being on the ground and therefore intimately familiar with all aspects of the situation involved, is singularly qualified to make recommendations as to the disposition of the sentences. The Minister of Justice having made his decision, I feel impelled to ask that he sympathetically consider the possibility of granting at a very early date a parole for these persecuted gentlemen, who are after all the servants of the people of Alberta.

I had not intended to speak to the motion for an address in reply to the speech from the throne, but after listening to several remarks that have been made in debate thus far I am compelled to say a few words on some matters. I wish to refer particularly to certain remarks made by the hon. member for Fort William (Mr. McIvor) wherein he endeavours to justify the argument against the present policy of subventions on coal. The hon. gentleman made considerable reference to this matter during the last session, and I think that he should be better informed. It is generally argued by those living at the head of the lakes that subventions on coal destroy to a very large extent the shipping industry at the head of the great lakes. It is argued by some that millions of dollars have been invested in elevators, coal docks and harbour improvements on the assumption that the natural advantage of the harbours at Fort William and Port Arthur as shipping centres assures their future growth and improvement. But those who so argue overlook the fact that millions of dollars have been invested in the coal industry of Alberta upon the assumption that the people of Canada need coal and should naturally buy home products.

In an editorial that appeared in the Daily Times-Journal of Fort William about a year ago the statement was made that the destruction of the coal trade at the head of the lakes was the result of deliberate action on the part of the government in response to agitation for subventions on the part of western coal operators. It is stated that because of the subvention policy the amount of coal handled at the head of the lakes dropped about one and a quarter million tons. In reply let me say that the policy of subventions for coal was instituted by a Liberal government, first in Nova Scotia and later in the west. The fact that subventions were granted to Nova Scotia gave the coal mining industry in the west a natural right to expect that the same thing would be done for it. The statement that this coal subvention policy reduced the coal trade at the head of the lakes one and a quarter million tons is entirely incorrect. The movement of Alberta and British Columbia coal under the subvention has never exceeded 340,000 tons, and part of this goes to points in eastern Ontario which were never served from Fort William. The hon. member for Fort William (Mr. McIvor) seems very much concerned about the employment of 100 to 150 men in his constituency. The movement of 340,000 tons of coal from the west gives employment to something like 400 miners and partial employment to some 2,250 trainmen, in addition to other railroad employees who otherwise would be put on short time or thrown entirely on relief. In addition there are farmers in western Canada who are able to make ends meet by selling mine props made from timber cut from their small forests. The editorial referred to would lead the public to believe that Alberta coal is of inferior quality to imported coals. The very opposite is the fact. That is proved by actual tests.

We have coals in Alberta and in Nova Scotia that compare most favourably with any imported coal.

It is also suggested that by doing away with coal subventions and importing additional coal from the United States the amount of the subvention would be saved and the revenue increased by the duty collected. Such an argument is untenable, for if it were carried to its logical conclusion we would be, in effect, saying: Destroy all Canadian industry and reap the revenue collected in duty on imports. But money spent on our own coal production at least stays in the country, and that part paid to employees and railway men, as well as any small dividends or profits to the operators, also remains in Canada, except perhaps a small amount. Most important of all is that if the comparatively small amount now being spent for western subventions, about $300,000, were discontinued and such coal displaced by United States coal, the result would be more unemployment, more relief costs, and money going abroad, thus reducing the purchasing power of the Canadian people and placing upon them a greater burden of taxation.

The hon. member said, as reported on page 104 of Hansard:

> I do not like to see western coal coming down to within a few miles of Fort William to the detriment of our workers.

Surely my hon. friend does not mean that he desires the destruction of an entire coal mining industry with its thousands of employees in order to employ 100 to 150 men in his constituency. He must remember that to interfere with subventions in western Canada would mean that there would have to be the same interference with subventions for Nova Scotia coal, thus destroying the entire coal mining industry of Canada. I believe the coal mining industry of Canada is a matter of national importance, and we are dealing with national policies. What should be done to save the coal mining industry of this country, under the present system at least, is to increase the subvention.

The hon. member said also that he viewed with alarm any action taken by any province to curtail the freedom of the press. I have discussed this matter with some of my colleagues. I know it is contrary to parliamentary procedure to discuss a matter which is before the courts, but I find nothing in the rules to prevent me from simply reading the act which was passed by the Alberta legislature. I would like to have your ruling on this Mr. Speaker...

Some hon. MEMBERS: Go ahead and read it.

Mr. HANSELL: I shall read it without any comment whatsoever. It is Bill No. 9, entitled, "An Act to Ensure the Publication of Accurate News and Information," and it reads:

Whereas it is expedient and in the public interest that the newspapers published in the province should furnish to the people of the province statements made by the authority of the government of the province as to the true and exact objects of the policy of the government and as to the hindrances to or difficulties in achieving such objects, to the end that the people may be informed with respect thereto.

Now therefore His Majesty, by and with the advice and consent of the legislative assembly of the province of Alberta enacts as follows:

1. This act may be cited as "The Accurate News and Information Act."

2. In this act, unless the context otherwise requires—

(a) "Chairman" means the chairman of the board constituted by section 3 of the Alberta Social Credit Act;

(b) "Newspaper" means a paper containing public news, intelligence or occurrences or remarks or observations thereon, printed for sale and published periodically in parts or numbers at regular intervals not exceeding thirty-one days between the publication of any two of such papers, parts or numbers, and includes a paper printed in order to be made public weekly or oftener, or at intervals not exceeding thirty-one days containing only or principally advertisements, and a paper containing accounts of events occurring within thirty-one days before the date of publication.

3. (1) Subject to the other provisions of this section, every person who is the proprietor, editor, publisher or manager of any newspaper published in the province, shall when required so to do by the chairman, publish in that newspaper any statement furnished by the chairman which has for its object the correction or amplification of any statement relating to any policy or activity of the government of the province published by that newspaper within the next preceding thirty-one days.

(2) Every such statement shall have written upon it a certificate in the following words: "The foregoing statement is published by the direction of the chairman of the social credit board," which certificate shall be printed at the foot of the statement to which it relates.

(3) Every such statement shall be printed with the type ordinarily used in the printing of the newspaper.

(4) The length of any statement required to be published shall not exceed the length of the statement corrected thereby and such statement shall be given the same prominence as to position, type and space as the statement corrected thereby.

(5) Every requirement by the chairman for the publication of any statement shall be in writing signed by the chairman, and shall be deemed to have been duly made upon the receipt of the requirement together with the statements referred to therein at the office or usual place of business of any of the following persons, namely, the proprietor, editor, publisher or manager of the newspaper.

(6) Every statement so required to be published in a newspaper shall be submitted in the language used in the publication of such newspaper and shall be published in the next regular issue thereof after the day upon which the requirement for the publication thereof referred to in subsection (5) is received at the office or usual place of business of any of the following persons, namely, the proprietor, editor, publisher or manager of the newspaper.

(7) No statement required to be published pursuant to this act shall contain any notice or other matter the publication of which is required to be made pursuant to any other statute or which is ordinarily published as advertising.

4. Every person who is the proprietor, editor, publisher or manager of any newspaper, shall upon being required so to do by the chairman in writing, within twenty-four hours after the delivery of such requirement at the office or usual place of business of any of the following persons, namely, the proprietor, editor, publisher or manager of the newspaper, make a return in writing setting out every source from which any information emanated, as to any statement contained in any issue of the newspaper published within sixty days of the making of the requirement and the names, addresses and occupations of all persons by whom such information was furnished to the newspaper, and the name and address of the writer of any editorial, article or news item contained in any such issue of the newspaper as aforesaid.

5. No action for libel shall be maintainable on account of the publication of any statement pursuant to this act against any person who is the proprietor, editor, publisher, manager or printer of the newspaper publishing the same or against any employee of any such person or against any person on account of any subsequent publication of any such statement.

6. In case the proprietor, editor, publisher or manager of any newspaper has been guilty of any contravention of any of the provisions of this act the lieutenant governor in council, upon the recommendation of the chairman, may by order prohibit,—

(a) the publication of such newspaper either for a definite time or until further order;

(b) the publication in any newspaper of anything written by any person specified in the order;

(c) the publication of any information emanating from any person or source specified in the order.

7. (1) Every person who contravenes any of the provisions of this act or who makes any default in complying with any requirement made in pursuance of this act shall be liable to a penalty not to exceed five hundred dollars.

(2) Every person who contravenes any of the provisions of any order in council made pursuant to section 6 of this act shall in respect of every such contravention be liable to a penalty not to exceed one thousand dollars.

(3) Any penalty which any person is liable to pay pursuant to any provision of this act shall be recoverable either by suit brought by the chairman in any court of competent civil jurisdiction, or upon summary conviction upon the information or complaint of the chairman or of some person authorized in writing by the chairman to lay such information.

8. This act shall come into force on the day upon which it is assented to.

Now my hon. friend can read the act for his own information. I am not going to make any comment on it whatever, but I wish to deal with one phase of thought that is prevalent in the minds of many people. relative to what is meant by the freedom of the press. It seems to me the freedom of the press means that it is free to print the truth. Let us make no mistake about that; it is free to print the truth. The hon. member for Fort William, who made this reference, is a clergyman. Perhaps it is only fitting that one clergyman should reply to another.

Mr. LAPOINTE (Quebec East): Is the hon. member a clergyman?

Mr. HANSELL: He is; he may not look like it, but he is.

Mr. LAWSON: As a clergyman, apart from the Bible can the hon. gentleman say what is the truth?

Mr. HANSELL: It is not a matter of a definition of truth; it is a matter of a statement of fact. I do not want to become involved in a discussion of what the act itself purported to do; I am avoiding that, but I should know what is the truth about myself and the Alberta government should know what is the truth about itself. That is the question which is involved.

Now let me ask my hon. friend the clergyman, sincerely and without malice or satire: In the ethics of his religion could he say that people or institutions should be free to say and publish that which is false? Let me ask him further: Would he deem it a thing objectionable to demand a true statement of the facts in answer to a falsity which has been spoken or published?

Now, Mr. Speaker, I want to refer to some remarks that were made by the hon. member for Huron North (Mr. Deachman), who commenced his speech, appearing at page 79 of Hansard, by making reference to the hon. member for Lethbridge (Mr. Blackmore), who is the leader of this group. I would not regard this reference as particularly important were it not for the fact that in connection with it the hon. gentleman also referred to the government of Alberta. The hon. gentleman started off by saying that a year ago last summer—and I am surprised that as a parliamentarian he would build up an argument on such a flimsy foundation—he read something somewhere. He does not say when he read it, but he builds up a fantastic

argument because he heard or read something somewhere at some indefinite time, before the last session of the house, in some morning newspaper which he does not name, in which appeared some report from some small town in Alberta, which he also does not name. On that basis he builds up an argument with which he attempts to ridicule not only the hon. member for Lethbridge but the government of Alberta. I submit that the Canadian public will do well to judge the strength of the argument of my hon. friend by the meagreness of his reference. The hon. gentleman went on to say that no government had been a more complete failure than the government of Alberta in carrying out its promises.

Some hon. MEMBERS: Hear, hear.

Mr. HANSELL: In response to the "hear, hear" I am going to say that no government has succeeded as the government of Alberta has in carrying out its promises.

Some hon. MEMBERS: Hear, hear.

Mr. HANSELL: My hon. friend should be better informed. Perhaps in making a statement of that kind he was depending upon information which appeared in some little newspaper in some one-horse town, away back in Timbuctoo, in the remote ages of the past. Does he not know that under the present administration in Alberta surveys have been made in the interests of the oil industry in such a way as to induce a great amount of capital to come into Alberta from the Dominion of Canada, from the United States and from across the water? In the last little while we have heard a great deal about capital going out of Alberta, but millions of dollars have come into that province because hard-headed business men in the oil industry have had confidence in the Alberta government. In 1935, before the present government took office in Alberta, 60,000 feet were drilled in the Turner valley oil fields. For the first nine months of 1937 nearly four times that number of feet were drilled. Under the policy of the Alberta government that province is producing about 7,000,000 barrels of oil every year. For the information of the hon. member, Canada takes third place in the British Empire as an oil producer and, may I add, largely through the social credit policies of the Alberta government.

I could say something about the lumbering industry. I could make some observations about tar sands, the production of salt, and other matters, but time will not permit me to go into details. I suppose the hon. member has reference to the fact that social credit policies had promised much in terms of monetary reform. Let me say that the hon. member should sweep his own doorstep first. If any charge can be made that a government has not kept its promises with respect to monetary reform, then certainly that charge can be laid at the foot of the present Liberal government at Ottawa.

What did we read as to what the Liberal government was going to do? All hon. members must be familiar with the famous speech made by the present Prime Minister (Mr. Mackenzie King) at Saskatoon on September 21, 1935, when he is reported to have said:

> Canada is faced with a great battle between the money power and the people, a battle which will be waged in the new parliament. I plead for a sweeping Liberal victory to carry out my policies of public control of currency and credit. Until the control of currency and credit is restored to the government, all talk of sovereignty of parliament and democracy is idle and futile.

We find that the right hon. gentleman says that Canada is faced with a great battle between the money powers and the people, and that that battle will be waged in parliament. Well, when was the battle waged? Some of us have been sitting in the house for a couple of sessions and we are now asking ourselves when the battle was waged.

Mr. MARTIN: Would the hon. member permit me to ask a question?

Mr. HANSELL: Yes.

Mr. MARTIN: When may the people of Alberta expect the $25 a month by way of dividend?

Mr. HANSELL: I would be very glad to answer my hon. friend's question.

Mr. LANDERYOU: As soon as the Liberals keep out of our hair.

Mr. MARTIN: Answer the question, please.

Mr. HANSELL: When the social credit forces of Alberta began to explain the philosophies of social credit, it was brought to the attention of the people in that province that there was a shortage of purchasing power.

Mr. SLAGHT: Why not answer the question?

Mr. HANSELL: I am answering the question. There was a shortage of purchasing power between production and consumption which must be made up in some way or another. That shortage could be made up by the issuance of what Major Douglas terms a national dividend. That $25 a month represents a dividend, and it was promised that

such a dividend was possible under a social credit scheme. My hon. friend now asks me when the Alberta government is going to issue that dividend. When we have a social credit system operating, that will be possible. It is our firm conviction that the Liberal forces in Alberta are blocking the institution of social credit in that province. That is my answer to the hon. member's question.

Mr. MARTIN: What about the eighteen-month period? **It has expired.**

Mr. HANSELL: I have only ten minutes in which to finish my observations, and I should like to spend the time in answering the hon. member for North Huron. He has been viewing the Alberta situation from a distance. May I now bring information from Alberta showing what some Liberals in that province think of the battle which was supposed to be fought in this house against the money powers. Before proceeding to the reference, may I ask when the battle was fought. If it has been fought, when was it finished? If it is finished, who won the victory? If it is finished, was the victory won by parliament or by the money powers? If it is not finished, why was money reform absent from the speech from the throne?

I have said that I would let the hon. member view the matter from the standpoint of people who are a little nearer the situation. All hon. members have received a letter from the Legislative Assembly of Manitoba. That assembly is substantially Liberal, and yet we find that it does not recognize that a battle has been fought or won. This is the resolution moved and carried by the legislature of Manitoba:

Whereas the standard of living in Canada can only be raised by increased production and consumption of goods and services,

Whereas such increased production and consumption can only be accomplished effectively by national control of currency and credit issued in terms of public need,

Whereas the government of Canada, by recent legislation, now control fifty-one per cent of the shares of the Bank of Canada,

Now, therefore, be it resolved that in the opinion of this legislature that the government of Canada proceed forthwith to implement its election pledges and issue through the Bank of Canada currency and credit, considered in terms of public need, the amount of which to be determined in relation to the domestic and industrial requirements of the Canadian people.

Be it further resolved that a copy of this resolution be sent to the premier of Canada, every member of his cabinet, and all members of the House of Commons.

That, Mr. Speaker, comes from the legislature of Manitoba.

[Mr. Hansell.]

In the five minutes left at my disposal may I deal with what some people from Alberta who are interested in Liberal policies have to say. In that connection I shall read a letter from a gentleman who during the last election campaign was an organizer for the Liberal forces in Alberta. This letter was written to the Prime Minister and, so far as I can learn, has not yet been acknowledged. In sending a copy of the letter to the Edmonton Bulletin the gentleman in question wrote:

Editor
Bulletin.

On August 10th the writer sent the enclosed letter to Right Honourable W. L. Mackenzie King, Premier of Canada.

Having supported his government in the 1935 election in reliance upon his election pledges, the courtesy of an acknowledgment was deemed reasonable whether the explanation was satisfactory or not.

The people should know how those of us who worked and voted for his election, now feel about the present situation.

This is the letter:

Right Honourable W. L. Mackenzie King,
Prime Minister,
Ottawa, Canada.

Dear Mr. King:

Edmonton's recent unique legislative activities must have shocked Ottawa nearly as much as Ottawa's continued inactivity on the same question has disappointed and disheartened the west.

Alberta's misguided and desperate attempts to secure for her citizens as a life-sustaining necessity, an increase in her people's purchasing power in view of Ottawa's failure therein, has resulted in the present legislation.

The writer opposed the social credit idea of monthly "dividends" not because relief from the present situation was not required, but because that group was proposing to grant purchasing power in a way that seemed beyond the province's constitutional powers to accomplish, whereas you, on behalf of the Liberal party of Canada, to which I belong because I believe in a minimum of tariff barriers to trade, and which I helped as local organizer at election time, had given a definite pledge on behalf of the Liberals of Canada, to remedy the long standing financial and economic injustice to the Canadian people due to the shackles imposed upon commercial and economic progress by the Bank Act which farms out the national credit to private interests for their profit rather than for the nation's welfare.

Your pledge, given in parliament in 1934 and which formed the chief plank in the Liberal platform when they were returned to power under your leadership is widely known and well remembered. It is as follows:

"Once a nation parts with the control of its currency and credit it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit is restored to the government and recognized as its most conspicuous and sacred responsibility, all talk of

sovereignty of parliament and of democracy is idle and futile. . . . To regain for the nation what has thus been lost will continue to be the first objective of Liberal effort."

That pledge is incorporated in the speech from the throne reported on page 17 of the 1936 Hansard, after your government took office, in the following words:

"The control of credit, and the issue of currency, being public matters of direct concern to every citizen, it is intended, at the present session, to ask parliament to make such changes in the ownership and control of the Bank of Canada, as may be necessary to give to the government a predominant interest in the ownership as well as effective control of the bank."

In the 1936 session of parliament you mentioned for example the development of the tourist trade as a proper and desirable activity of the National Employment Commission. Mr. Bennett agreed, and there was general parliamentary and other agreement on the subject.

That meant highway construction—of necessity involved the spending of money.

What has happened in that regard?

Alberta has the finest scenery in the world but it can't be observed because of bad roads.

In this connection it will be noted that the changes you requested in the set-up of the Bank of Canada were made which enabled your government to control the country's credit and to issue the necessary currency to accomplish on a wide front the building and improving of national highways.

Why did you want the government to have power of control over credit and the issue of currency if that power was not going to be exercised for the people's benefit?

The 1936 session of parliament produced a number of earnest voices insistent that such power be restored to the government and used.

What happened to those voices?

Why were Tucker, and McGeer, and Stitt, and others who last year were insistent upon the people's rights being exercised, silent in the 1937 session? What assurance did you give that induced them to remain silent in the face of an ever growing necessity for action?

The people are asking this and they insist on knowing.

As you are recognized personally as an outstanding authority on economics, your election pledge had more weight than that of a person not so equipped. As you had an unimpeachable private record your word was accepted.

The only suggested explanation of your inertia since then, in the face of a condition of increasing need, would appear to be lack of courage.

Is that the trouble? Or do you now doubt your estimate of existing conditions, and the correctness of your remedy? Or, again, is it your purpose to make the Bank of Canada a useful adjunct to the chartered banking system (to repeat the words of the general manager of the Royal Bank of Canada in his address to the bank shareholders at their annual meeting in January, 1934)?

If you were correct, as we still confidently believe, when are you going to do something about it? You can't wait forever, because people's lives and their living—their hopes for the future are at stake. Old people, too old to get work if it could be had, and too young to get the meagre old age pension—are sick with defeat. Middle aged people, if employed, find their tenure of employment less and less secure, and their remuneration diminishing while living costs rise. If they are unemployed, their spirits are utterly broken by the sense of helplessness and, worse still, of uselessness which grips them. Young people cannot make plans for their life work or for marriage or homes or families of their own, and the spark of ambition is quenched.

Desperate people are apt to take desperate measures and go to any extreme to maintain their God given right to live. And where only the outworn, criminally conceived system, which your government has both the power and a specific mandate from the people to replace, stands in the way of this right, how can they be prevented or blamed for doing so, if you continue to refuse to act?

The time for effective, constructive, intelligent action is overdue.

What are you going to do about it?

The hopes and the prayers of a stricken people are yours as you let your conscience direct your intelligence to effective action in this crisis.

Awaiting your explanation and reply, I am, sir, on behalf of myself and all western Canadians.

Yours sincerely,

A. L. Marks.

Mr. Marks is a well known lawyer and a respected citizen of Edmonton. I hope the hon. member for North Huron (Mr. Deachman) and the hon. member for Essex East (Mr. Martin) will take notice of these things. To repeat what the hon. member for Medicine Hat (Mr. Mitchell) said yesterday, Alberta is not playing a game; she is tackling a problem which the Prime Minister of this country promised the country he himself would tackle. With these remarks I ask the house to take notice that we in this corner are insisting upon a solution of the problem which confronts Canada.

Mr. J. J. DUFFUS (Peterborough West): Mr. Speaker, I did not desire to interrupt the hon. member for Macleod (Mr. Hansell) while he was speaking, but I think it may be fairly said that had the Hon. Mr. Howson, leader of the Liberal party, promised the people of Alberta $50 a month in the last Alberta election he would have carried the election.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. P. J. ROWE (Athabaska): Mr. Speaker, I represent a riding, that of Athabaska, which is in the area known as the park land section of Alberta. Into that area during the last five or six years have come farmers from the dust bowl of the west, men who have been defeated in their efforts to make a living there, and are now pioneering in Alberta under conditions very closely approximating those which our ancestors had to face in Ontario a hundred years ago. They have come into that area without their implements, or with just the remnants of them, and such stock, as they were able to save from the wreck. This summer, when I was there, I found them heroically facing conditions which, had I the time to tell hon. members here about, I am sure would deepen their feelings of sympathy and respect for the courage and fortitude of these people who, having seen the things they gave their lives to, broken, are stooping to build them up again with worn-out tools.

One question which the people on the farms are asking—and it is a question that I have always asked myself, born and reared as I was on a farm in Ontario—is, Why are the farmers unable to have the same incomes as the people in the cities? It seems a self-evident truth that the farmers, who are literally feeding and clothing the world, should be entitled, from the standpoint of the social value of the services they render, to remuneration comparable with that received by those who manufacture wool and hides into clothing and shoes, or lumber into chairs and furniture, or those who render services to society professionally. That is a question to which I hope we can begin to find an answer before parliament prorogues.

During the last two weeks members of the house from different parts of Canada have told us about conditions in their various ridings, and I was particularly interested in the speeches made by the hon. member for Huron North (Mr. Deachman) and the hon. member for Carleton (Mr. Hyndman). I want to congratulate the hon. member for Huron North on the effectual analysis of operating costs which he presented to the house showing the income and expenditures of the farmers of Ontario, analyzing their investments and showing their net income, from which the startling fact emerged that the farmers of Ontario are receiving less remuneration than the wages of a junior office boy, less than one dollar a day, he said. The hon. member for Carleton said that seventy-five per cent of the farms in Ontario were mortgaged. Well, Mr. Speaker, I can say that in the new sections of Athabaska, in the park areas where settlement is taking place under pioneering conditions, the farmers have neither investments nor electric lights. The hon. member for Huron North spoke about the cost of electricity to the farmer, and I just want to say that the farmers in my district have neither electricity nor investments.

The reason I refer to the addresses made by these two gentlemen is that they are members of parties which have alternated in power, administering the affairs of this country for the last seventy years since confederation, and looking at the situation from the standpoint from which any institution or policy or system must be judged, by the fruits it produces, the net results are those pathetic and heart-breaking conditions which have been described by these two hon. members.

I do not know whether other hon. members have noticed it or not, but since coming to Ottawa this session I have been impressed by the fact that among members of all parties—and I have had the pleasure and privilege of talking with members of all parties in the house—I have found a serious undertone, a grave, earnest desire to make a contribution to the solution of the perplexing problems that confront us. As I met these men and talked in a heart to heart fashion with them, my feeling of comradeship and respect has been deepened. It is true they are here to represent different political and economic philosophies; but it seems to me that there is a growing tendency towards the recognition of the fact that we have all failed, and that our common task is to find a way to lay the foundations of a plan that will endure. Indeed, that kindliness and magnanimity, and the evident desire to be friendly, is a characteristic of all the people that I meet, when I meet them man to man.

During the last twenty-five years of my life I have lived and rubbed shoulders in western Canada with people from every land beneath the sun. I have in my riding representatives of most of the races that have come from the older parts of the world, and I find in them the same kindliness. I venture to say that no one of these peoples desires to injure his fellow man in other countries. It makes me think of the words of the great French philosopher, Rousseau, who said, about two hundred years ago, "Men are naturally good. It is by their institutions alone that they become corrupt." If men are naturally

good and have a desire to cooperate with each other, surely we can recognize the equal worth of all peoples and races, the common blood and common destiny of mankind, and try in our policies to remember that the world is interdependent culturally, economically, and spiritually, if you will; that we are just beginning to get acquainted; and that we should not do or say anything, or institute any policy which would injure or invade the rights of people in other countries.

I can never forgive Herbert Spencer for having written that manifesto, on which I believe the constitution of Japan was founded, in which he said that society flourishes by the antagonism of its atoms. I believe on the contrary that the obvious golden truth is that constructive cooperation and not destructive combativeness is the rule by which we must be guided, because the former is the first principle of life upon which the universe is founded, the principle of self-preservation by which we seek to avoid friction. That is true of every atom in life and of every individual in society. We must seek the minimum of frustration and the avoidance of friction.

Just the other day there came to my desk a cartoon called Two Mules, a fable for the Nations. In the first cartoon two mules are pictured tied together with a rope. There are two stacks of hay, one on each side of the mules which are tethered in such a way that by going together they can reach either stack. They are looking at the hay in pleasurable anticipation. In the second picture each is straining to reach the stack nearest him and pulling against the other. In the third picture they are kicking, each refusing to go with the other. All they lack is understanding; they do not know how to cooperate. In the fourth picture they have decided to sit down and talk it over, and there is a large interrogation mark between them. The hay is still there. In the fifth picture they decide to cooperate constructively and they are consuming the hay. They are both standing by one of the stacks. In the last picture they are eating the other stack.

I am not going to suggest that we should have horse sense; perhaps that is too much to expect of the human family; but I do suggest that we have at least mule sense.

Five hundred years ago the Indians ruled this country and the standard of living they enjoyed was measured by their collective capacity to produce wealth. The very young children and the very old men and women lived off the surplus that could be produced by those who caught fish in the lakes and rivers and game in the forest. The one yardstick by which the Indians measured their standard of living was their collective capacity to produce wealth. If there was a bad year, then, of course, they were short; perhaps there was famine; but in a good year everybody was happy.

I want to draw a little picture of what would have happened among the Indians had their wise counsellors and leaders, their medicine men, if you like, informed them that a policy of "scarcity" had been decided upon and that a certain percentage of the strong young men should go back into the stockade, sit down and twiddle their thumbs, notwithstanding the fact that the rivers and lakes were teeming with fish and the woods were filled with game. Another percentage of young men, let us say, were asked to go into the northern part of the country and dig a curious yellow metal out of the ground, transport it laboriously to the mouth of the Hudson river and bury it in another hole in the ground. Because that metal could not be eaten, because it could not be worn or burned to warm them in their wigwams, the labour that these men performed in the production and transport of gold was all wasted. It was not wealth at all, and those who toiled in the forest and on the rivers and lakes to produce game and fish had to support these men who had dug up this gold. Then it was decided that a certain percentage should engage in the production of goods for shipment abroad; there was to be foreign trade. So that notwithstanding the fact that these goods were needed at home these men had to go to work and produce a certain quantity of goods to be shipped out of the country. Then, because it was necessary for some of the men to leave the country sometimes to fight for the right to continue sending abroad goods that were needed at home, a certain percentage of braves had to undergo training in order to engage in death duels with members of other tribes. And they, too, had to be fed and clothed.

I wonder how long it would have taken those young braves to discover that their witch-doctors and medicine-men were nothing but imbeciles to be locked up or put out of the way as painlessly as possible. Yet that is an accurate picture of what is going on in Canada to-day. Last year the nations of the world produced and distributed, by borrowing, fifteen billions worth of armaments and munitions. Every dollar of that was wasted; every dollar of it came out of useful labour. If the people in other countries bought from us metals which were used in the manufacture of war materials their governments had to tax

them to pay for these commodities, and therefore their standard of living was reduced exactly by the cost of these implements of war. I do not think there can be any answer to that.

I have observed a few things which I wish to call to the attention of hon. members with respect to foreign affairs and our foreign policy. In the first place I wish to commend warmly the action of the Prime Minister (Mr. Mackenzie King) in going to Berlin last year. I covet for Canada leadership in the direction of instituting measures which will reduce the cause of the friction, fear, animosity and antagonism which exist between ourselves and that great nation, a nation that has established itself as one of the foremost among the peoples of the world in science and art and culture. Anything that can be done to break down prejudices, to assure these people that we do not desire their harm, is all to the good. But I wonder whether the Prime Minister did not make a slip in Paris, because there seems to be a conflict between his views and those of the hon. member (Mr. Francœur) who moved the address in reply to the speech from the throne. He said that we do not intend to engage in foreign wars; that we do not intend anything but defence. Yet the Prime Minister said that if Britain finds herself in trouble she will find Canada at her side. There seems to be a contradiction there. I call attention to the fact that those interests which we might be called upon to defend in some foreign country were the result of a defect in the present economic system in its development one hundred years ago. The workers who produced that wealth were not paid enough to enable them to buy back the goods, and therefore there came about the rise of capital investments by Great Britain in other countries. These capital investments have proved a boomerang, because when they were used to develop industries abroad Britain found herself in competition with other countries as a result of the export of her surplus. I want it clearly understood as far as I am concerned that if patriotism means the art of inducing someone who has no interests at home to defend someone else's interests abroad, then we had better revise our idea of patriotism. I suggest further that it takes neither moral nor physical courage to arrange wars for other people to fight. Most hon. members are beyond the age to be conscripted, but I suggest that we should be very careful about the policies we institute, policies of foreign trade which give rise to conflict resulting in war. It is very easy to launch such policies, but it would be a different thing if we were made to go out and fight for policies that we initiated.

The Prime Minister (Mr. Mackenzie King) in his broadcast on September 19, said:

> Canada is anxious and prepared to do whatever lies within her power to promote the widest measure of international cooperation.

I read in the Canadian Press dispatch from New York of February 4:

> Canada prepares for her display at New York fair.
>
> Plans for Canadian participation in the New York World's Fair next year moved ahead to-day as fair officials announced the dominion had contracted for 40,000 square feet of space and would send destroyers and airplanes as a ceremonial gesture.

That is a peculiar kind of "ceremonial gesture".

Then there is the question of our policy of defence. The statement of the Minister of National Defence (Mr. Mackenzie), in initiating what he calls an "adequate policy" of defence, that it is necessary to keep down subversive elements from within, has been repeated many times in the house. The Minister of Justice (Mr. Lapointe) said repeatedly last year and again this year that the way to control subversive elements is to remove the cause. That is a sound principle. I mention that to show members of the government that there appears to be something there which requires explanation. I believe that most if not all of the so-called moral diseases of mankind are due to the abnormal conditions under which people have been compelled to live. If that is true, obviously the cure consists in nothing less than removing the cause. And the cause is to be found in the conflict arising out of competition, competition that is unnecessary. We have to ask ourselves whether if we were to utilize the productive capacity of our machinery in the factories and the farms of this country with a view to producing goods and services to be consumed by our people, it is possible to produce enough for all. I think it is. Therefore I suggest that a system based upon competition has now become outworn and is an anachronism. It is necessary now to undertake some mental readjustment to keep pace with the changing needs of society. I would also call attention to the rather optimistic suggestion in the speech from the throne to the effect that conditions in Canada are fairly good, and suggest that it is a mistake to measure them by comparison with what has happened in the past or what is happening in other countries. The only accurate measure of value when we are

evaluating the soundness of our policies is, what is it possible to do with the machinery we have?

I should like to congratulate the Minister of Mines and Resources (Mr. Crerar) on the broadcasts which he has made throughout Canada about our natural resources. Of course it is commonly understood that education is vested in the provinces; but this form of education is in my opinion invaluable, in creating an informed, enlightened, intelligent public opinion by disseminating factual and scientific information about Canada and what we possess. But I should like to suggest that our great mineral wealth is badly needed to provide the comforts of life for our own people. I should like to see our mineral wealth diverted from channels of destruction into channels of construction. I should like to think that our wealth is to be used to minister to the needs of our people rather than to assist ourselves and others in preparations for mutual extermination.

This is not the time to go in any great detail into the many defects and abuses which we are here to remedy, but may I suggest that there are one or two things we should bear in mind. In my own experience in the commercial life of this country for about twenty-five years I have observed some glaring defects. While we all recognize the complexity of our problems and that one nation alone cannot solve the world's problems, yet there are measures that can be taken here in Canada as a first step towards the removal of these abuses.

I am familiar with the affairs of a town in western Canada which in 1912 to 1915 borrowed $80,000 on long term debentures. Those debentures were issued at a discount; from the proceeds of the sale the people received $71,000. Prior to 1937 they have paid back $95,000 and still owe $150,000. That is not an isolated case, Mr. Speaker; that illustrates the effect of one of the greatest drains upon our purchasing power in Canada. I could apply the same principle to the Canadian National Railways. The interest on the stocks and bonds of that company, if it averaged five per cent and were paid regularly for twenty years, would be equal to the entire capital invested in that company, and still we would have to pay it over and over and over again, every generation. That is one of the problems to which I think we should give careful consideration at this session, and I have no doubt that opportunities will arise to permit that to be done.

Another abuse is gambling in futures on the grain exchange. I have before me a short article taken from Common Sense for January, 1938, in which the writer, Mr. Ernest Macdougall, points out:

> The futures market is a parasitical overgrowth on the body of the commodity market. The annual business of the grain futures gambling market runs to four billion dollars, and the commissions of grain futures brokers amount to one hundred million dollars a year. Divided among five hundred futures brokers, that is a prize worth fighting for! And this has nothing to do with the commissions paid on the actual sale and delivery of actual commodities.

I hope to have something more to say on that question a little later on in the session. Broadly speaking, I think the answer to our problem is increased production. I have under my hand a short article from another issue of Common Sense, that of November, 1937, by Congressman Allen of Pennsylvania. I should like to put on Hansard his conclusions with regard to the situation across the line, because it closely approximates our own. He says:

> In spite of the earnest attempts of the Roosevelt administration the share of the workers in the national income produced was less in 1936 than in 1929. The owners of our industrial machinery, however, pocketed $4,573,000,000 in dividends in 1936 or an increase of 50 per cent over 1935. During the same time the total income of the workers was held down to an increase of only 14 per cent. Commodities are manufactured to be sold. They cannot be sold so long as people do not have sufficient income to buy them. In this machine age mass consumption is a prime requisite. Under the conditions described above we have stifled our own customers. They are helpless. At the same time huge profits have been directed into the pockets of a small number of our people whose consuming power is limited and whose surplus wealth is invested, if at all, in new mechanical equipment designed to produce a constantly increased amount of goods which our people cannot consume. The abuse of technological improvements is constantly threatening to make the machine a curse instead of a blessing to labour. It has brought unemployment and poverty when it could bring security and abundance. Much of our liberal legislation, intended to eliminate unemployment, raise wages and increase production, has been thwarted. We have in many respects actually played into the hands of those whose privileges we sought to curb. Instead of halting them we have set in motion the very forces that nearly ruined us in 1929.
>
> Scarcity and contraction are impossible in this machine age. No longer can we "plough under" our labour force, and mechanical equipment. We must expand our output and then make that output available to those who need it. The creation of more wealth alone can solve the economic problem of the underprivileged without inflicting hardships on other classes of our people.

I think we have some food for serious thought there.

Now, Mr. Speaker, before sitting down I should like to suggest that there are steps we can take in Canada. We can plan for the utilization of our resources to a far greater extent than we are doing. I have before me a copy of Wonders of World Engineering, for August, 1937, published in London, England. At page 730 I read:

> The hydrogen gas is made from coke in a special plant and the total raw coal consumption at Billingham for the 100,000 tons of petrol made directly from coal each year is 500,000 tons.

That shows that with our great coal resources in Alberta, in addition to the raw oil in the Turner valley and the oil contained in the Athabaska tar sands we have great quantities of oil in our coal, and that oil already is being commercially extracted.

The other day I read in the Regina Star of January 22 a proposal for the irrigation of the western prairies. The writer, Mr. Cleugh, suggested that by piping streams such as the Bow river and the Saskatchewan river high enough upstream, we could run the water by gravity over the prairies and turn them into a garden. I suggest that we should divert some of the $50,000,000 a day used by the world last year in the construction of armaments with which to destroy the people of the world into a constructive channel such as that, in order to feed the world. If the world spent fifteen billion dollars last year on armaments, this means that $50,000,000 was spent every day for 300 days, taking out two weeks for holidays and every Sunday, when we knocked off to pray for peace. We might divert that money and that labour into a constructive channel and show the people of the world that we are ready to cooperate in feeding them and supplying their wants rather than in preparing to destroy them.

In conclusion, Mr. Speaker, I wonder what we are going to say to the young people and the unemployed in this country. As the hon. member for Rosetown-Biggar (Mr. Coldwell) said the other day, I feel that we should stay here until, working together, we have formulated a plan that will be the beginning of the solution of the problems which confront us. So far as I am concerned I do not think parliament should prorogue until some plan of that kind has been found.

I am confronted now with the question of how I shall vote on this motion and the amendment thereto. I have been forced to indulge in some destructive criticism; but I am sure members of the government appreciate the fact that these defects and abuses exist, and no doubt they are as anxious as I am to solve them.

The question in regard to the amendment is this: Is it a sound principle to suggest that free trade could ever conceivably cause friction among the nations of the world? My idea of trade is that we should export only that surplus required to bring in those goods which we cannot produce advantageously within Canada. To make effective our domestic market; to rearrange and bring up the wages of farmers and workers in the country so as to absorb more of the domestic market, and to undertake to remove from our trade arrangements with other nations retaliatory and discriminatory tariffs which hamper and thwart other nations from developing their own economy, must, in my view, be the ideal and ultimate goal of world trade.

I cannot conceive of free trade being the cause of war. I will grant hon. members this, that under our present competitive price and profit system difficulties do exist; but I have been a student of international affairs for some time, and I am most anxious to do everything possible to alleviate and disarm the fears of people in other countries. Therefore, on that one point alone, I have decided to vote with the government.

Mr. W. F. KUHL (Jasper-Edson): Mr. Speaker, on this occasion I wish to confine my remarks to a paragraph from the speech from the throne, the implications of which I consider fundamental to successful democratic government in Canada. I refer to the paragraph concerning contemplated amendments to the British North America Act. What I have to say on this important subject I shall say not from a partisan point of view or even as the representative, particularly, of the electors in my constituency. Rather I shall speak as a Canadian representing the Canadian people.

Since elected to this house I have been deeply interested in the constitutional position obtaining in Canada. I am sorry to be compelled to relate that my investigations into the subject have sadly disillusioned me on many matters. I hope it will not be considered presumptuous for a back-bencher, without law school diplomas, to express opinions on a subject as intricate as constitutional law. I approach the question more from the point of view of the average citizen who wishes to know the why and wherefore of all he sees and hears.

Speaking on this question the right hon. the leader of the opposition (Mr. Bennett) referred to the methods employed by other British dominions, notably Australia and South Africa,

in amending their constitutions. After reading the constitution of the Commonwealth of Australia, and the method by which the people of Australia amend it, I wondered, since the enactment of the Statute of Westminster of 1931 which made Canadian citizens politically independent of the imperial parliament, why we have not the same privilege with respect to a constitution.

I am pleased to note that the speech from the throne mentions the Statute of Westminster, and indicates that it is being recognized as an effective measure.

In considering the present constitutional position in Canada I find myself faced with the situation referred to by Professor Keith in his book, The Sovereignty of the British Dominions. At page 201 he says:

> Those who claim autonomy for Canada naturally cannot acquiesce in a position under which the supremacy of the imperial parliament is insistent and undeniable. A sovereign state whose constitution can only be altered by another power is a contradiction in adjecto.

The more one studies these matters, the more contradictions he finds. In order to have an intelligent understanding of our constitutional status I have spent considerable time in making a study of the history surrounding the passing of the British North America Act. All the evidence I have been able to gather compels me to entertain grave doubts as to whether or not any individual member of this assembly has authority, or whether as a group we have authority to legislate as a parliament. I have discovered what in my opinion are discrepancies both in the British North America Act and in the historical record. I trust I am doing an acceptable service in bringing some of these matters to the attention of the house, the legal authorities in which may be able to provide me with the necessary enlightenment.

In Hansard of April 1, 1936, the leader of the opposition is quoted as saying that the preamble is an important part of a bill. I wish to discuss the preamble to the British North America Act, as we find it in the printed copies. In order to indicate the importance of a preamble I shall quote the observations of the Prime Minister (Mr. Mackenzie King), the leader of the opposition (Mr. Bennett) and the hon. member for St. Lawrence-St. George (Mr. Cahan) in the debate which took place on the wheat bill. I quote from Hansard of April 1, 1936.

> Mr. Bennett: Parliament for the first time within my knowledge . . . is asked to pass a preamble . . . that is not supported by documents attached as schedules to the bill. A preamble is rather an important part of a bill. . . . A preamble is useful when you are endeavouring to interpret the legislation in respect to it. . . . In private bills it is essential to establish by competent testimony every fact inserted in the preamble. . . .
>
> Mr. Mackenzie King: My right hon. friend will, I think, agree that there is no better authority on legislative methods and forms than Sir Courtenay Ilbert, Parliamentary Council to the Treasury. At page 269 of his treatise "Legislative Methods and Forms," I find the following with respect to preambles: "As a rule a preamble is unnecessary in a public bill. Where the object is merely to describe briefly the reason for and the intended effect of the proposed legislation, the object can often be better obtained by prefixing a short explanatory memorandum to the bill. Such a memorandum should state concisely the existing law, the reasons for amendment and the effect of the proposed amendments. A local bill must always have a preamble, the recital in which must be proved."
>
> Mr. Cahan: And they must be proved.
>
> Mr. Mackenzie King: My hon. friend says they must be proved. That is correct. . . . Then the only remaining point at issue is whether or not the preamble contains an exact recital of facts.
>
> Mr. Bennett: And whether it has been proven . . .

I would direct the attention of hon. members to a particular statement of the leader of the opposition as reported at page 1695, where he states:

> In every case unless the preamble is proven before the committee, the bill fails.

The gist of the argument would seem to be, then, that the language in the preamble must be consistent; the recital of the words must be in accordance with the facts, and unless the preamble can be proven the bill fails. Let us in the light of these facts examine the preamble to the British North America Act. Let us ask of the preamble these questions: Is the language in the preamble consistent? Is the recital of the words in the preamble in accordance with facts? Can the preamble be proven? Was the preamble proven?

In order to make sure that we are not starting out on a false premise I wish to submit a few historical facts which will substantiate that the British North America Act is a private act, or a public act resembling a private act. As the British North America Act did not affect the entire empire, but was restricted to the three colonies enumerated, and further restricted in its scope to north America, it was a private bill in its relation to the parliament by which it was enacted. Sir John A. Macdonald, in his letter of July 18, 1889, to Lord Knutsford, said this:

> The union was treated by them much as if the British North America Act were a private bill uniting two or three English parishes.

Let us now turn to the first question on the preamble: Is the language in the preamble consistent? Before proceeding with that question I should like to read the preamble to the British North America Act. I hold in my hand a photostatic copy of the preamble to that act, which reads as follows:

An act for the union of Canada, Nova Scotia and New Brunswick, and the government thereof, and for purposes connected therewith.

Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into one dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom;

Before we can determine whether or not the language in the preamble is consistent, there are two terms in the preamble which, I think, we must define. Those are "federally united" and "one dominion." Are these terms synonymous, or are they the antithesis of each other? Bouvier, in his law dictionary, says of the words "federal government" that it consists of "a union or confederation of sovereign states, created either by treaty, or by the mutual adoption of a federal constitution."

Doctor Ollivier, law clerk of the House of Commons, at page 85 of the evidence of the special committee on the British North America Act in 1935, says this:

A confederation is a union of independent and sovereign states bound together by a pact or a treaty for the observance of certain conditions dependent upon the unanimous consent of the contracting parties, who are free to withdraw from the union.

It is quite apparent, Mr. Speaker, from these definitions that the status of sovereignty must precede confederation and that a federal union can be consummated only by the mutual consent of contracting states, adopting a constitution.

Now as to the term "dominion." What is a dominion? Is a dominion the same as a federal union? Before the discovery of America by Christopher Columbus the term dominion was used to denote a state or country that was dominated by the imperial parliament. Wales is called a "dominion" in the Acts of Henry VIII as in article 25 of the Treaty of Union, 1707. The Isle of Man was also known as a dominion. Newfoundland, the first colony of England in America, was a dominion founded by Sir Humphrey Gilbert in 1583. Virginia, founded by Sir Walter Raleigh, was a dominion, and is known to-day by the name of "The Old Dominion" in the United States of America.

[Mr. Kuhl.]

Section 18, paragraph 3, of the Interpretation Act of 1889 says this:

The expression "colony" shall mean any of Her Majesty's dominions. . . .

We see, then, that a dominion was nothing more than a colony. Do these definitions not indicate that a federal union and a dominion are opposed in nature; that one is the antithesis of the other? How then could the provinces of Canada, Nova Scotia and New Brunswick be federally united into one dominion? Is this not a positive contradiction? Furthermore, how could a colony have a constitution similar in principle to that of the United Kingdom?

The next question we were to consider was, Is the recital of the words in the preamble in accordance with facts? Did the provinces express the desire to be federally united into one dominion? Before discussing the desire of the provinces I believe it would be well to indicate the constitutional status of the provinces before the British North America Act was passed. As all hon. members know, the province of Canada governed herself for more than twenty-five years prior to the passing of the British North America Act, by the Act of Union of 1840. I wish to quote a few sections from the Act of Union to indicate the nature of the government at that time.

3. Her Majesty shall have power by and with the advice and consent of said legislative council and assembly to provide for the peace, order and good government of the province of Canada . . . and that such laws being passed by the said legislative council and assembly and assented to by Her Majesty or assented in Her Majesty's name by the governor general of the province of Canada shall be valid and tending to all intents and purposes within the province of Canada.

44. Taxes shall be levied by Her Majesty in such manner only as shall be directed by any law or laws which may be made by Her Majesty by and with the advice and consent of the legislative council and assembly of such province.

61. In this act, unless otherwise expressed therein the words "acts of the legislature of the province of Canada" are to be understood to mean an act of Her Majesty, heirs or successors, enacted by Her Majesty with the advice and consent of the legislative council and assembly of the province of Canada and the words "governor of the province of Canada" are to be understood as comprehending the governor or person authorized to execute the office of governor of the said province.

In 1854 the imperial parliament passed, in response to an address of the legislative assembly, an act to empower the legislature to alter the constitution of the legislative council. imperial act 17-18 Victoria, chapter 118. The first election of councillors took place in the summer of 1856. Twelve members were elected to the legislative council

every two years to hold office for eight years and could be reelected. In 1862 the speaker of the legislative council was elected by the members, Sir Allan MacNab being chosen speaker. In the twenty-seven years between 1840 and 1867, during which time Canada enjoyed responsible government, no act of the province was disallowed. Mr. Gladstone in the British Hansard of March 28, 1867, at page 754, states:

> We have for a full quarter of a century acknowledged absolutely the right of self-government in the colonies.

The words "federally united" in the preamble are equivalent to the recognition and acceptance by the imperial parliament of the status of Canada, Nova Scotia and New Brunswick, that they were free and competent to sign a compact to which they, without coercion, would mutually agree. Now, what was the desire expressed by the provinces? The preamble to the Quebec resolutions states:

> The best interests and present and future prosperity of British North America will be promoted by a federal union under the crown.

Section 70 of these resolutions states:

> The sanction of the imperial and local parliaments shall be sought for the union of the provinces on the principles adopted by the conference.

The bill drafted in London by the delegates from the provinces, and presented by the Hon. John A. Macdonald to Lord Carnarvon, Secretary of State for the Colonies, contains a reiteration of this desire in the following words:

> Whereas the provinces of Canada, Nova Scotia and New Brunswick, have expressed their desire to form a federal union under the crown—

In order further to determine the desire expressed by the provinces, let us examine the manner in which the bill was drafted and presented. The act was drafted by the law officers of the crown attached to the colonial office. Lord Carnarvon was chairman. I quote Sir Frederick Rogers, Under Secretary for the Colonies:

> They held many meetings at which I was always present. Lord Carnarvon was in the chair, and I was rather disappointed in his power of presidency.

That is taken from Lord Blachford's letters, page 301.

The law officers of the crown drafted the bill to guide the delegates, the title and preamble of which read respectively:

> The union of the British North American colonies, and for the government of the united colony.

And the preamble:

> Whereas the union of the British North American colonies for purposes of government and legislation would be attended with great benefits to the colonies and be conducive to the interests of the United Kingdom.

This was the desire of the colonial office, and it appears that it prevailed over the desire of the provinces, which read:

> Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to form a federal union under the British crown for the purpose of government and legislation, based upon the principles of the British constitution—

Why was Lord Carnarvon chairman of the delegates from Canada, Nova Scotia and New Brunswick? Is this not a violation of natural law?

Consider this: If the British North America Act contained in some measure the desire expressed by the provinces, would it not have been simply a matter of common courtesy on the part of the noble lord who was chairman of the delegates from Canada, and who introduced the bill in the House of Lords, to have at least returned a copy of the act for the consideration and consent of the local legislatures?

Let us now consider how the act was presented. In presenting the bill to the House of Lords, Lord Carnarvon, Secretary of State for the Colonies, and chairman when the bill was being drafted, asserts that:

> The bill opens by reciting the desire of the several provinces to be federally united.

That will be found in the British Hansard of February 19, 1867, page 559. When presented, the Quebec resolutions were attached to the bill as an enunciation of the motives prompting or impelling the colonial office to present the measure, for on the second reading, on February 26, Lord Campbell says:

> The bill is founded, I believe, on what is termed the Quebec scheme of 1864 . . . . Our lights indeed may be imperfect upon this part of the subject, and I will not dwell upon it. But one thing is clear: The preamble of the resolution comes before us in full and perfect authenticity.

That will be found in the British Hansard of February 26, 1867, page 1012.

The present preamble as printed was not debated.

The act was not yet printed, as is evidenced by the excerpts from the speeches in the House of Commons. I should like now to quote Mr. Hadfield, as reported at page 1090 of the British Hansard of February 27, 1867:

> Mr. Hadfield said he rose to ask of the government why it was the second reading of this bill had been fixed for to-morrow. It was one which affected 4,000,000 of people and upon which great doubts and differences of opinion

were entertained. It was not yet printed and was of so important a character that he thought some little time ought to elapse after it was in the hands of the members before it was introduced, in order that some little consultation should take place upon it. He was not at all sure that he should be opposed to it but he certainly required more time to consider it.

On the following day, February 28, at page 1195 of the British Hansard, Mr. Hadfield is reported as follows:

He (Mr. Hadfield) thought that a bill of such great importance ought not to be passed through parliament with such haste. It was read a third time in the House of Lords, only on Tuesday night, and two days after they were called to give it a second reading in that house (Commons). That was a bad precedent to establish and might produce ill effect at another time. If the bill had been delayed only for a few weeks, the people of Nova Scotia would have been able to express an opinion upon it. He had not had time to consider either the bill itself or the papers on the subject which had been put into his hands.

I have another quotation which casts light on the manner in which the matter was presented. It will be found in the British Hansard of February 28, 1867, at page 1179. Mr. Bright said:

I have heard there is at present in London a petition complaining of the hasty proceedings of parliament and asking for delay, signed by 31,000 adult males of the province of Nova Scotia, and that petition is in reality signed by at least half of all the male inhabitants of that province. So far as I know, the petition does not protest absolutely against union but against the manner in which it is being carried out by this scheme and bill and by the hasty measures of the colonial office. . . . Nobody pretends that the people of Canada prefer a nominated council to an elective council . . . to put seventy men in that council for life inserts into the whole scheme the germ of a malady which will spread and which before long will require an alteration of this act, and of the constitution of this new confederation. . . . I am satisfied . . . that we run a great danger of making this act work ill from almost the beginning. . . . There is no part of the world in my opinion which runs less risk of aggression than Canada. . . . No political party in America ever dreamed for a moment of aggression upon Canada or of annexing Canada by force. And therefore every farthing you spend upon fortresses . . . is money squandered. through an hallucination we ought to get rid of. . . . For my share I want the population of these provinces to do that which they believe the best for their own interest—remain with this country if they like, in the most friendly manner, or become independent states if they like.

Is it not quite apparent from this evidence, Mr. Speaker, that the desire expressed by the provinces was for a federal union and for nothing but that?

[Mr. Kuhl.]

I have searched many records and nowhere have I been able to find that the provinces expressed the desire to be federally united into one dominion. I ask hon. members, Can the preamble to the British North America Act, in the light of this evidence, be said to be an exact recital of facts?

Before answering the last two questions regarding the preamble which I asked in the early part of my address, there is one other question which may very well be answered first: Did the British North America Act do for the provinces what they desired it to do? Or, putting it in other words; Did the provinces of Canada, Nova Scotia and New Brunswick become a confederation or a federal union through the British North America Act? In reply to that question could we not very well ask: Had the provinces federated, would not an agreement or a pact have had to be signed? Had an agreement been signed, would we not have a record of it? Would we not at least have had a certified copy of the act?

The fact is, Mr. Speaker, that notwithstanding that the imperial parliament recognized Canada as being responsible since 1840, Canada was reduced to the position of a colony by the British North America Act. Canada did not become a federal union or a confederation but was demoted to the status of a colony under the name of "dominion." An important piece of evidence on this point is, I believe, a statement by Sir John Bourinot in Canada under British Rule, chapter 8, page 215, in which he says:

It is interesting to know that in the original draft of the bill the united provinces were called the Kingdom of Canada, but when it came eventually before parliament, they were designated as "the dominion of Canada," and the writer had it from Sir John A. Macdonald himself that this amendment did not emanate from the colonial delegates, but from the imperial ministry.

In order that we might know definitely the constitutional status Canada attained through the British North America Act, the imperial parliament defined the term "dominion" in section 18, paragraph 3 of The Interpretations Act of 1889, which reads:

The expression "colony" shall mean any of Her Majesty's dominions exclusive of the British islands and of British India; and where parts of such dominions are under both a central legislature and local legislatures, all parts under the central legislature shall, for the purpose of this definition, be deemed to be one colony.

Excepting Canada, no country in the empire had a central legislature and local legislatures; therefore, twenty-two years after the enactment of the British North America Act, Can-

ada is deemed to be one colony. Prior to 1867 her majesty could act only by and with the advice and consent of the legislative council and assembly of the province of Canada. Members of both the legislative assembly and the legislative council were elected by the people. The members of the legislative council elected their speaker. According to the provisions of the British North America Act, the members of the legislative council are appointed by the governor general. The Speaker is appointed and can be removed at his discretion. Members of the privy council are appointed to aid and advise him and can be removed at his discretion. Canada lost all power of self-government through the British North America Act.

Sir John A. Macdonald protested against the British North America Act while it was being drafted as well as later. If hon. members will take the trouble to refer to Pope's Confederation Documents they will find a written protest of Sir John A. Macdonald's against the British North America Act. In the forepart of the book we find a copy of the draft of the bill, the title of which reads:

Draft of a bill for the union of the British North American colonies, and for the government of the united colony.

Judging from the way in which the page is disfigured, Sir John A. Macdonald was not agreeable to this. Alongside it we find in his own handwriting what he desired, and it reads:

Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to form a federal union for the purposes of government and legislation, based on the principles of the British constitution. . . .

And in a letter to Lord Knutsford, dated July 18, 1889, Sir John said:

Had a different course been pursued—for instance, had united Canada been declared to be an auxiliary kingdom, as it was in the Canadian draft of the bill, I feel sure (almost) that the Australian colonies would ere this, have been applying to be placed in the same rank as the kingdom of Canada.

Now, as to the last two questions: Can the preamble be proven? Was the preamble proven? The evidence which I have submitted proves conclusively, I believe, that a dominion and a colony were identical; that to be federally united an agreement must be signed; that no compact or agreement was signed; that to be federally united into one dominion was an impossibility; that the provinces did not express their desire to be federally united into one dominion. I ask, therefore: How can the preamble be proven? Furthermore, if the preamble cannot be proven to-day, how could it have been proven in 1867? My opinion, therefore, based upon the evidence which I have submitted, is similar to that expressed by the leader of the opposition on the wheat bill of 1936. Speaking to the preamble the leader of the opposition said, as reported at page 1694 of Hansard of 1936:

I do not think the Prime Minister would desire that the house should give its support to a preamble which is not in accordance with the facts. I point out that the language which is employed in this preamble is not even consistent, and is not in accordance with the facts.

That is exactly my opinion with regard to the preamble to the British North America Act. I wish to repeat the statement of the leader of the opposition as reported on page 1695:

. . . in every case, unless the preamble is proven before the committee, the bill fails.

The preamble to the British North America Act was not proven and could not be proven, as it is incapable of proof. Therefore the bill fails. If the foregoing be true, then I submit that the British North America Act is null and void.

To suggest that we refer this evidence to the courts would be in my opinion another way of sidestepping our responsibility in the matter. As it is impossible to submit all the evidence in this debate, I suggest that the house should consider the question in committee of the whole. In order to suggest what must be done under the circumstances to rectify the present situation I wish to quote some evidence given by eminent Canadian constitutional authorities to the special committee on the British North America Act in 1935. Hon. members would do well to take heed of the evidence given by eminent constitutional authorities in Canada. The logical question, after one peruses the evidence, which I have submitted is: Where do we go from here? I believe the answer was very well suggested in the evidence that was given to the committee. Professor Norman McLeod Rogers, now Minister of Labour, was giving evidence at this particular time. As reported at page 116 of the evidence Mr. Cowan asked this question:

You get back to this: your start is another interprovincial conference?

The answer was:

I am afraid it is. I see no feasible alternative.

Hon. Mr. Lapointe: There is no doubt about it.

I wish now to quote Doctor W. P. M. Kennedy, professor of Law of the university of Toronto. At page 69 he is reported as follows:

I think we have got to get away from the idea that the British North America Act is a "contract" or "treaty." I do not want to go into that, but it is true neither in history nor

in law. The British North America Act is a statute, and has always been interpreted as a statute. Suppose now we assume that it is necessary to have constituent powers in Canada, powers to change the constitution. (sic) I approach that problem from two angles. First of all I want to break the British North America Act up. We have got to ask ourselves, Is the dead hand of the past to be constantly laid with numbing effect on the body politic? That is really what it amounts to . . . If we in Canada are not capable of interpreting our own constitution we should not have a legislature at all.

I quote now Doctor Skelton, Under-Secretary of State for External Affairs, at page 27:

Now it might be said, Why not trust to growth of convention or custom altogether for the necessary changes in our constitution? The obvious answer, I think, is that the process is too slow, and is applicable only in cases where unanimity has been reached.

And at page 42:

No other country in the world looks to the parliament of another country for the shaping of its constitution. This solution would only be supported if we believe that Canadians are the only people so incompetent that they cannot work out a solution of their constitutional problem, and so biased that they alone among the peoples of the world cannot be trusted to deal fairly with the various domestic interests concerned. . . .

It is not safe to leave the question open and ambiguous indefinitely; for at any time a dispute on a concrete issue may arise.

. . . To retain permanently the intervention of the parliament of the United Kingdom is either superfluous or dangerous.

Doctor Maurice Ollivier says, at page 55:

Furthermore our constitution is a law adopted by the British parliament exercising its incontestable right of sovereignty towards its colonies. . . . This explains the fact that the British North America Act is not a reproduction of the Quebec resolutions.

I should like now to quote Doctor Beauchesne, the worthy clerk of this house. I believe Doctor Beauchesne should be highly commended for the very progressive suggestions he made to this committee. They are found at page 125, as follows:

It is quite true that if we apply to the British North America Act the principles followed in the interpretation of statutes it is not a compact between provinces; it is an act of parliament which does not even embody all the resolutions passed in Canada and in London prior to its passage in the British parliament where certain clauses that had not been recommended by the Canadian provinces were added. . . .

The Statute of Westminster has altered our status. . . . What we want is a new constitution.

The new constitution must leave nobody with a grievance.

[Mr. Kuhl.]

A spirit of conciliation should predominate. For these reasons, the task must be entrusted to an independent body in which all the elements of the country will be represented.

I want the assembly to sit in a city in the west. It would not be necessary for a delegate to be a member of parliament or of a provincial legislature.

I would suggest that the assembly do not sit in Ottawa, in order that it may not have the appearance of being dominated, or even influenced by the dominion power; and, as the western provinces are of such paramount importance in the country, I suggest the best city for the representatives to gather in would be Winnipeg.

Whether our country should be changed from a dominion to a kingdom is also a subject which might be discussed. I would suggest that the country could be called "The Federated States of Canada."

There have been many disputes about provincial rights since 1867 and it seems certain that when a new constitution is drawn up the distribution of federal and provincial powers will have to be modified.

At page 131:

I submit that appeals to the privy council should be dealt with by our constitution. This method would preserve the principle of taking our cases to the highest tribunal without going out of our own country.

At page 132:

If you will allow me, Mr. Chairman, I will just make another suggestion; if we have a constituent assembly and if we discuss the making of a new constitution, I think it is an anomaly that dominion affairs should, to a certain extent, be subject to provincial authority. I would suggest that we have a federal district, taking in about twenty-five square miles on each side of the Ottawa river.

And at page 134:

I would not have any minority rights discussed. There is nothing more dangerous in Canada than a discussion of minority rights. A discussion of them would wreck the whole constituent assembly.

I think the time is ripe for a change in the constitution. I do not think you would need much publicity in order to draw to the attention of the people of this country that the British North America Act is inadequate.

In prefacing my remarks I stated that I was speaking not from a partisan point of view or as representing particularly my constituency in Alberta, but as a Canadian representing the people of Canada. I appeal particularly to hon. members from Ontario and Quebec. From Ontario came William Lyon Mackenzie; from Quebec, Papineau, who were exiled from Canada for their patriotism, and whose followers were imprisoned and hanged. But by their efforts from 1835 to 1837, Ontario and Quebec achieved the right to govern themselves, by the Act of Union of 1840. The right of self-government was taken from Canadians by the British North America Act. No

longer do we elect our upper house, or the Speaker of that house, and to-day under this act our enactments are subject to the power of disallowance. The prima facie evidence which I have presented to the house to-day stands upon the record until it is refuted. How, may I ask, is the government to proceed to amend an act the preamble of which cannot be proven? This is manifestly impossible.

I take pleasure, therefore, in placing myself on record in favour of the amendment to the address in reply to the speech from the throne, so far at least as any reference in the speech from the throne concerns an amendment to the British North America Act. The Minister of Labour (Mr. Rogers) and the Minister of Justice (Mr. Lapointe) will agree with me when I suggest an interprovincial conference, as they suggested in 1935. That there was no confederation is attested by Doctor Ollivier, Doctor Kennedy, Doctor Skelton and Doctor Beauchesne, also by the incontestable fact that there was no certified copy of the act in Canada, showing that the provinces of Canada were not consulted. In closing, I desire to record my approval of the suggestion made by Doctor Beauchesne, that the provinces choose members for an assembly to construct a constitution, and that the country could be called "The Federated States of Canada."

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, not being a constitutional lawyer or even a member of the legal profession I shall not undertake to deal with the last speaker's observations. I shall leave that to the Minister of Justice (Mr. Lapointe), who some day may reply.

This debate is a free-for-all, the first of the session. I think from the beginning until to-night it has been a real free-for-all. I am going to use this opportunity, not to dwell very long on the speech from the throne but to bring to the attention of the government some matters which in the interest of Canada, I believe, should be dealt with at this session. I think it is generally understood that the speech of his excellency presented at the opening of the session is a means taken by the government to place before parliament the program of legislation which it is intended to deal with during the session. In the first session following the election there was perhaps some excuse for not bringing in a very heavy program to carry out the pledges of the Liberal party during the 1935 election. Then the second session was very brief in order that the Prime Minister (Mr. Mackenzie King) might be able to represent Canada at the coronation and at the imperial conference. But, let me tell the government that the people of Canada expect some action during the present session. Almost three years have passed and nothing has been done to remedy conditions in this country.

Now let us look at this program of legislation and see if there is anything to relieve the serious economic condition that exists among the great masses of our people. It is true that we are to consider the amendment of the British North America Act, if the cooperation of the provinces is forthcoming. We are to deal with the elections and franchise acts. The government proposes to do something about the export of power. The authority of the board of railway commissioners is to be extended. It is hoped that negotiations may so progress as to render it possible to submit to parliament a new trade agreement with the United States.

That, Mr. Speaker, is the program, and I am afraid the Canadian people can take very little comfort from it. I believe they will be very much disappointed when they learn through the press that in the third session of this parliament this is the program brought before parliament by this government to deal with our problems. But we are told in this same speech, "Oh, everything is lovely. Canada has once more returned to prosperity. Look at our export trade." How many times we have heard that during this debate. The other night the Minister of Trade and Commerce (Mr. Euler) told us that we are now in fourth place among the exporting nations. "Look at our revenues; they have reached a new high level. As a result more money has poured into the treasury than in any year in the history of this country."

Yes, not only has our export trade increased during the last twelve months, but there has been a steady increase in our export trade ever since the low dip of the depression in 1933. It is true that there was a change of government during that time, but it is some comfort to a few of us on this side of the house to know that the policy of the previous administration has been very closely adhered to. The Ottawa agreements, negotiated by a Conservative government and so vigorously opposed by hon. gentlemen opposite, are mainly responsible for the progress Canada has made in selling her products abroad. Through those agreements the greatest market in the world was opened to Canadian producers. The opening of other channels of trade was bound to follow and added to that increase.

Yes, our statistics show that exports from Canada have increased to a considerable extent during the last twelve months. Natural

products and raw materials have been mainly responsible for that increase, raw materials to be consumed by the warring nations and the other great nations in their armament programs. I wonder what would happen to this great export trade of which we boast if this year the nations of the world should cease war and agree to disarm. What would we have in this country? We would present a very fine example of a nation that could not live by export trade alone. Let me put another question: How can this country ever expect to put its great army of unemployed to work if we continue to export our raw materials and buy back manufactured products, giving employment to people of other countries and denying employment to our own people?

Yes, our revenues have reached a new level. As has been pointed out in the debate, these revenues are raised entirely by taxation, so in other words the people of Canada have this year contributed more money in the way of taxes than in any other year in the history of Canada. The Prime Minister tells us this indicates that the country is prosperous; that the $401,000,000 of revenue derived by taxation this year supplies the answer to the amendment which has been moved by my right hon. leader (Mr. Bennett). The Prime Minister also said that these increased revenues indicate the degree of relative prosperity in Canada compared with what it has been in the past. Prosperity! Has prosperity reached our people when at the present time about one-eleventh of our total population is on relief and the average income of the great mass of our people is not sufficient to maintain a decent standard of living? What about the farmers of our country? Are they prosperous? What about the labourers? Are they enjoying prosperity? What about the small business men who have been the backbone of many communities throughout this country? They have been forced on the streets in these last few years by combines and corporations. Is it any wonder that we have a demand from a large section of our people for a change in our system? Is it any wonder that some are looking to social credit and others to socialism as advocated by my friends to my left, or that some are even grasping communism and fascism as a way out? We talk about fighting these isms. Well, I would like to say to the government that the way to fight these isms that we dread so much to-day is not by padlock laws, militia or police forces or amendments to the criminal code. The way to fight these things is to remove the evils of our present system; then these isms will disappear.

[Mr. Barber.]

The people of this country took the Prime Minister at his word during the election campaign. He said that unemployment was a national responsibility; that he would wage a great battle against the moneyed powers. Almost three years have passed. This government has not assumed responsibility for unemployment, and the battle against the moneyed powers has not commenced; not a single gun has been fired. I urge upon the Prime Minister, who has had long experience in public life, who possesses outstanding ability and who is surrounded by able advisers, to direct his efforts towards measures to be brought in during the present session for the purpose of correcting the evils of our economic system.

Dealing with taxation, Mr. Speaker, I want to give one example of how these taxes are applied and how unfair they are in many instances. In the constituency which I have the honour to represent we have several large industries, among them what we call the small fruit industry. Strawberries and raspberries are grown in large quantities and shipped both in the fresh state and in what is called the processed form. In some years we may have extra large crops or weather conditions may be such that we cannot ship in the fresh state. Those berries must be taken care of, and the result has been the erection of jam factories, expensive buildings equipped with expensive machinery. They produce a very fine product, the pure berry and the pure sugar, but lo and behold, that agricultural industry is taxed thirty-one per cent by the federal government, including the sugar taxes and the eight per cent sales tax! I am sorry the Minister of Finance (Mr. Dunning) is not in his seat, because I wanted to bring this matter particularly to his attention. I believe there is no other manufactured or semi-manufactured commodity that pays such an exorbitant tax. The question is: Why should the berry industry be singled out from all other agricultural industries to carry this heavy and unjust burden? Why does not the sales tax apply on honey, maple sugar, maple syrup, cheese, butter, canned milk and similar agricultural products? Why does the total taxation on an imported product which is competitive with the jam—I refer to peanut butter—amount to only sixteen per cent, while the jam bears a tax of thirty-one per cent?

When these people sell fresh berries or berries processed in what is known as sulphur dioxide solution they do not pay any of these taxes. When a merchant or a wholesaler sells sugar in any quantity he does not pay a sales tax. But just as soon as a man goes to work and erects an expensive building, equips

it with expensive machinery and employs hundreds of people—yes, thousands are employed throughout Canada in the industry—to combine fresh berries with sugar to make jam, he is compelled to pay eight per cent sales tax. I shall leave the matter there, trusting that the Minister of Finance will correct this when it comes to his attention in preparing his budget.

A great deal has been said about the increased radio licence fee. I shall not spend much time upon it, simply to say, on behalf of radio owners and dealers in my constituency I protest against the increased licence fee. If we have an increase to $2.50 this year, we may expect that the corporation will make an effort to increase it to $4 or $5 next year. I believe the matter should be investigated and given a little more consideration, and the business of the corporation should be looked into before permission is given to increase the fee.

One further point I should like to bring to the attention of the Minister of Trade and Commerce. A number of producers in British Columbia have been a great deal concerned over reports which have reached them to the effect that the preferences they now enjoy under the Ottawa agreements may be disturbed, and that in the negotiation of the Anglo-American trade arrangements Canada might agree to an extension to United States producers of the preference on such commodities as apples, lumber and fish. The Minister of Trade and Commerce has charged that the leader of the opposition has been responsible for the fear created. I do not think it is necessary to quote the minister's speech in that regard.

Mr. EULER: He said he had helped.

Mr. BARBER: Let me tell the minister that long before the statement was made by my leader the United States press carried a statement to the effect that under their trade arrangement with the United Kingdom their producers would receive preferences similar to those given Canada on lumber, fish and apples. Those reports originated in Washington. According to the press of the United Kingdom it will be necessary to make some changes in the Ottawa agreements, but Canada and other countries will be consulted before those changes are made.

Let me refer to a statement of the minister when, in concluding his observations he said, as reported at page 300 of Hansard:

> This government is not so inept, so unwise or so unpatriotic as to sacrifice the interests of the producers of Canada, whether they be agricultural or industrial, for any reason whatsoever.

Does that statement stand good with respect to concessions from Canada under the Anglo-American trade agreement? I wonder if the minister would make a statement on that point, or was he referring only to a trade agreement between Canada and the United States?

Mr. EULER: Does the hon. member wish me to answer?

Mr. BARBER: Yes.

Mr. EULER: When I spoke yesterday I said that even if I had information or details with regard to negotiations between Canada and the United States, I could not give them. The same must hold true with regard to any possible negotiations going on in which Great Britain may be concerned. But I shall have to leave with my hon. friend my last statement, and that applies all around.

Mr. BARBER: I fear there is little comfort to be taken from that statement. There is another matter to which I should like to draw the attention of the government. I believe the matter I have in mind, namely soldier settlement, comes under the Department of Mines and Resources. I notice on the order paper a resolution urging that the amendment which has been in force for the last two years be renewed for another period. I should not think it necessary to have a resolution on the order paper to urge upon the government the necessity of the amendment. As hon. members know, that amendment refers to the dollar-for-dollar bonus. May I say to the minister that that is the soldier's only hope of reducing his indebtedness. Eighty-three per cent have taken advantage of it. I should hope to see on the order paper one of these days an amendment continuing the provision for another two years.

Sometimes I think our greatest handicap in British Columbia is distance; we are far away from the centre of Canada, far removed from the seat of government. That great distance creates several problems, one of which the farmers in British Columbia have been trying for some time to get the government to solve. I refer to the cost of transporting grain and grain products from the prairie provinces to British Columbia. This problem is not new to the House of Commons, because to my knowledge we have had it before us for the last ten or twelve years. In connection with the cost of transporting grain a charge of discrimination arises. At this time I shall not go into details in the comparison of rates, because those rates have been placed on Hansard in previous sessions by members from British Columbia, irrespective of party.

Evidence has been submitted to show that not only are the consumers in British Colum-

bia called upon to pay a rate higher than that on similar mileage from prairie points to the east, but also more than double the rate applying to grain shipped from prairie points to Vancouver for export. For the information of new members may I be permitted to give an illustration of how this works out. Let us take, as an example, a train of sixty cars of grain moving from Edmonton to Vancouver. We shall suppose that fifty of those cars are for export and ten for domestic use. On the fifty cars the rate is twenty cents per hundred pounds but on the ten cars, drawn on the same train, the people of British Columbia are penalized to the extent of forty-one cents per hundred pounds. In other words, the freight charge is $4 per ton on the fifty cars for export and $8.30 per ton on similar grain to be used by the farmers in British Columbia.

My reason for bringing the matter to the attention of the government is this: The Liberal party is pledged to remove this differential. Between 1930 and 1935, when this matter was brought before parliament by the hon. member for New Westminster (Mr. Reid), he received the solid support of the Liberal party, then occupying the seats to your left, Mr. Speaker. During the election of 1935 the hon. member, quite in good faith, told the electors that if they would elect him and if the Liberal party were returned to power the reduction would take place. Well, the hon. member was elected; the Liberal party was returned with the largest majority ever given to a party in this country; this is the third session, and the differential still remains.

Mr. REID: We shall need the hon. member's vote this year.

Mr. BARBER: As the Liberal party is pledged to this reduction I wish to make a suggestion to the minister, because I know he does not favour the method by which the hon. member for New Westminster is undertaking to secure the removal of this differential. In 1933, when this matter was urged upon the government of the day, the minister's predecessor, the Hon. Dr. Manion, took action. He called in the heads of the two railways and asked them to have their officers sit in with representatives of the four western provinces and try to work out some reduction on feed grain for domestic use in British Columbia. This was done, and a rate of thirty cents per hundred pounds on certain grades of wheat, oats and barley went into effect on March 10, 1933. That rate is still in effect. Unfortunately mill feeds were not included. Who was to blame I do not know. The matter was decided at the conference. This reduction means $2.30 per ton to the farmers and poultrymen of our province, and they have received the full benefit of it. According to a statement I received from the railway companies, at the end of 1935 it meant savings to the farmers amounting to $121,209. Two years have passed since then; I have not the figures up to date; but I think it is safe to say that it has meant a saving to the farmers of three hundred to three hundred and fifty thousand dollars during that time. If the concession had included mill feeds, of which we use a great deal more than we use of these feed grains, the saving would have been just that much more. Today, when dairy products are very low in price, people in the lower mainland of British Columbia are paying $1.75 for a hundred pound sack of bran and $2.60 a sack for oil cake. I mention oil cake because, if we could get a reduction on oil cake we could displace that soya bean meal which is being sold there.

Let me tell the minister that dealers in the lower mainland of British Columbia are buying American wheat, No. 2, a better grade of wheat than they are getting in the feed grains from the prairies, and are selling it to poultrymen and farmers in the Fraser valley at fifty cents per ton less than the price of the Canadian product. My suggestion to the minister is that he follow the same course, talk it over with the heads of the two railways, and see if it would not be possible to have another conference, consisting of representatives of the two railroads and of the four western provinces, to ascertain whether something could not be done further to reduce this differential and to include mill feeds and oil cake in that list.

Mr. HOWE: I suggest to my hon. friend that, as both parties have agreed on the present scale of rates, it is a little difficult to have a new conference and ask for lower rates.

Mr. BARBER: This thirty cent rate was for only one year. It has been renewed from year to year.

Mr. HOWE: But, as I understand, both parties agreed to it.

Mr. BARBER: They agreed, but they could have another meeting and change it. I do not see any reason why they could not meet again. The rate was not to be a permanent thing. I think it would be perfectly in order to review this, particularly now that United States grain is coming in and being sold in that part of the country.

Mr. HOWE: The railways might not think it worth while to make another agreement if the last one they made is not to be permanent.

Mr. BARBER: The consumers would think it worth while. It would certainly make a great difference to the dairymen and farmers of our district. Why should we continue to be discriminated against in the difference between twenty and forty-one cents a hundred on the same grain hauled by train to Vancouver? I think the railways should give us a cut on it, at any rate down to twenty-five cents.

In the matter of railway rates distance is certainly a handicap. This brings to mind another matter which I wish to bring up for the information of the house. I do not suppose the minister can do anything with this. But prior to the end of last October motor cars were shipped into our province at the flat rate of $120 a car, which we thought and I think hon. members generally would consider, a fairly high rate. Later on, behold like a shot out of the blue, on November 1 new rates went into effect—a rate of $4.87 per hundred pounds! That means that on the lighter type of car weighing 2,900 pounds the rate is increased from $120 to $141.23; on a car that weighs about 3,300 pounds the former charge of $120 has been increased to $160.71; on a car running about 3,500 pounds, a beautiful car which we should all like to own, the rate, which was $120, is now $170.45. On trucks the flat rate was the same, namely $120. A new rate of $4.12 per hundred pounds has been put into effect. Thus, a truck weighing 4,400 pounds, which was shipped into our province from the east for $120, now pays $181.28, or a 50 per cent increase in freight rates. The charge on a truck weighing 3,700 pounds is increased from $120 to $152.44. These amounts do not include decking and loading charges, which are extra. The result is that a large number of people are coming east, buying or taking delivery of their cars here and driving them back, and some firms are negotiating to have their cars brought through the Panama canal to Vancouver.

In this, I hope not too lengthy a part I have taken in this debate, I have tried to bring some matters to the attention of the government. The Minister of Finance was out of the chamber when I referred to the tax, but I know he will look it up in Hansard and will give it serious consideration.

Mr. DUNNING: I shall be glad to do so.

Mr. J. A. GLEN (Marquette): I understand that I am the last speaker before the vote is to be taken. I do not intend, therefore, to exceed my time. I shall be as brief as I possibly can.

The speech from the throne provides, of course, an opportunity for the discussion of many items. I do not propose to deal in detail with any number of them, but I might remark at this point that I do not recall any similar debate wherein so many ministers spoke so early in the session in defence of the functions of their departments, and I must say that, listening to those speeches, I have enjoyed and have been gratified at the high level which they have attained. I believe their speeches influenced the quality of the contributions by other hon. members, in that they also attained a very high level. This debate will compare worthily with any previous debates of this kind and is in accordance with the best traditions of the house. I know that most of the ministers who took part in this debate were drawn into it by the highly provocative speech made by the right hon. leader of the opposition (Mr. Bennett). He gave some very hard knocks, and I think he also received some. But he seems to thrive upon them.

It is inevitable that in this house constituted as it is, with representatives from all over the dominion, representing differing and conflicting views, there must of necessity be some differences of opinion. But when the hon. member for Winnipeg North (Mr. Heaps) the other day referred in gleeful tones to the many protesting speeches that were made on this side of the house and also from some on the other side immediately to your left, Mr. Speaker, in what we affectionately and euphoniously call "the rump," I think he overlooked the fact that there is no Liberal party worthy of the name but must have in its ranks members, be the number large or small as it may happen, who appear to be somewhat rebellious and impenitent speakers. It would not be a Liberal party if there were not differences and distinctions of opinion. The life and health of any Liberal party depend upon helpful criticism to build up and construct Liberal policies. I have endeavoured many a time to convert my hon. friend from Winnipeg North, for he is one of my particular friends, but in a conflict between a Jew and a Scot I do not know who is likely to win. I am hoping that some day I may be able to give him knowledge of this fact, that the Liberal party does not prohibit free thought or free speech, nor yet does it eject by executive decree any of the rebellious and impenitent members of the party.

I am going to deal first with one or two matters that are more local than general, so far as the Dominion of Canada is concerned. Last summer my constituency of Marquette, along with parts of Dauphin and Brandon, suffered from the drought, not perhaps to the same extent as Saskatchewan, but still considerably so, and these territories in Manitoba affected by the drought were all west of the Assiniboine river and extending up to the Saskatchewan boundary, and continuing for miles along that boundary. I would not have referred to it had it not been for the fact that the Minister of Agriculture (Mr. Gardiner) explained in his speech the other day why no federal assistance was given to these municipalities in Manitoba.

I took the position that we were suffering from the drought and that federal assistance should be given. I had had surveys made of these municipalities and of the conditions prevailing, and they were just as bad as conditions in many of the municipalities adjacent to the one hundred per cent drought area in Saskatchewan. I had officers of the minister's own department come into my constituency, and with them we travelled through it to see the conditions and discuss what the remedy should be. Unfortunately for me my summer was wasted because I was not able to convince the Minister of Agriculture that he should give assistance to my constituency.

The position taken by the federal government was that Manitoba had had the best crop in several years, and in consequence they thought that province was in a position to take care of its own relief. I cannot agree with that. In the adjoining municipalities in Saskatchewan, which are not one whit worse off in the way of crops than my constituency, I find that the farmers there are receiving from the federal government assistance in the way of feed and fodder, and they must in the future be also supplied with seed. They are in no worse condition than their more unfortunate neighbours on the Manitoba side of the boundary, and I think assistance should equally be given to Manitoba, particularly because, as I shall point out a little later, Manitoba is in no position to give the relief I have requested.

The reeve of one of these municipalities wrote telling me of conditions in his municipality, and of how they were able to look across the line and see the adjoining municipalities in Saskatchewan given free feed and fodder, and ultimately they will receive seed as well. He says that he does not begrudge these farmers that assistance and relief, and I agree wholly in what he says; they need that relief. But I must say that they are a good deal more fortunate than their unfortunate brothers on the Manitoba side, who are receiving no assistance from this government. I felt it was my duty to bring these facts before the house—they have all been submitted already to the department—and if any of the facts I have given are not correct I am anxious that there should be an inspection of the territory, which I am sure will reveal conditions to be more grievous than I have described them in my statement here to-night.

Now I wish to deal with the other question, the inability of Manitoba to finance its own relief, and in that connection I propose to deal with the status of that province within confederation with respect to tariffs.

We had a visit of the Rowell commission in Winnipeg, and let me say, Mr. Speaker, that I deeply deplore the strictures that were passed by the leader of the opposition on the personnel of that commission. I think the right hon. gentleman did a disservice to Canada in making those strictures. I am quite sure that none of the members of that commission accepted their onerous and responsible positions except from the very highest patriotic motives. I could not understand any man being willing to assume an obligation so onerous and responsible as these gentlemen have done without being actuated wholly by a desire to help Canada and to conduct their investigation entirely devoid of any spirit of partisanship. I do not know any of the members of that commission personally except Doctor Dafoe, and for those who do not know him I am bound to say this, that not only is he the most distinguished journalist in Canada to-day, but his contributions to Canadian policy at home and abroad have been so outstanding, and his individuality and capacity for independent thinking so striking throughout his long life, that I believe no man in Canada is more preeminent than he to assume that obligation, which I am perfectly satisfied he assumed with great reluctance.

The leader of the opposition in his speech deplored the disunity in Canada at the present time. I am bound to say that in my opinion he has contributed to that disunity, for he has raised in the minds of people questions with regard to, I shall not say the integrity, because that is perhaps not the correct word, but at all events the usefulness of the commission which has been appointed. Statements have been made which it might have been better if they had never been made. We are now familiar in Canadian life with that sinister word "axis." We have forces being joined to-day in some parts for the

purpose of combating other parts of the country. The leader of the opposition is not wholly devoid of blame in the strictures he has made against that commission, who have a real job on their hands, and who, if they apply that partisan spirit of which they are accused, will jeopardize the long and distinguished record which each of these men has attained in the course of a long life in Canada.

Before the Rowell commission in Winnipeg the province of Manitoba submitted its case—a very remarkable one—and it has been attacked surreptitiously, subterraneously, if you will, for having set up the west as against the east. As a representative from Manitoba I say that there was no intention on the part of the province to raise issues as between different sections of the dominion. They were concerned only with the presentation of the case as Manitoba saw it, and perhaps I might use the words of Lincoln, the hundred and twenty-ninth anniversary of whose birth takes place on Saturday—"with malice towards none, with charity to all." That language, I believe, can well be applied to the case submitted by Manitoba. I should like to read from part VII, page 69, of Manitoba's case to show that the province is in no position to finance its own relief, and to justify the request I have made of the government that relief be given to my constituency. At page 69 the following statement is made in paragraph 8 of the summary:

That, other things being as they have been, if Manitoba had so financed its own share of unemployment relief, and those portions of the municipalities' shares which it has had to lend to municipalities, its accumulated deficit in current account for this item alone in the period from April 30, 1930 to April 30, 1937, would be $23,945,637.25. This total is made up, $23,736,570.51 due to the dominion and the public, plus moneys advanced to municipalities out of provincial trust funds to the amount of $209,066.74.

(9) That Manitoba has, in effect, funded this deficit on current account and has been forced to borrow almost the whole of this from the dominion government because it could not borrow in the money markets.

(10) That if the dominion government, during this interval, had not continued to lend to Manitoba, the province would have been unable to meet its liabilities.

And at page 71, paragraph 20:

That short of the dominion's taking over the whole administration and financing of unemployment relief, the only practical solution of the problem of financing relief is for the dominion government to distribute amongst the provinces upon a per capita basis of relief population, subject to such reasonable restrictions as to administration as the dominion may impose, the entire cost of unemployment relief, either as a grant, or as the proceeds of a special federal tax upon the whole nation earmarked for relief purposes.

21. That the financing of relief is quite beyond:

(a) The present revenue producing capacity of Manitoba.

(b) The revenue producing capacity which it is possible or desirable for every province in Canada to acquire under a change in the Canadian constitution.

22. That the present system of financing relief:

(a) Will cause the inevitable bankruptcy of many of the provinces and municipalities of Canada.

Then at page 72, paragraph 24:

That the administration and financing of relief by the dominion is the wisest solution to the relief problem because:

(a) It would do away with all of the inequitable and subversive effects of the present system of relief administration;

(b) It would provide a uniform national minimum standard of relief without casting an unfair and unsupportable burden upon any municipality, province or economic area.

In part VIII, page 13, the province makes this statement:

In the Manitoba budget this item appeared only very occasionally and in small amounts prior to the year 1930. From that year up to April 30, 1937, the total cost of relief and relief works in Manitoba was $53,278,775.98. The total cost was divided as follows:

The cost to the dominion $19,602,697.64
The cost to the province.. .. .. 18,550,572.12
The cost to the municipalities.. .. 15,125,506.22

It has already been shown elsewhere that by far the greater part of these expenditures has been met by borrowing. The result is, at April 30, 1937, that the province owed on its relief debt $23,736,570.51, covering both its own costs and moneys borrowed for reloaning to municipalities; the municipalities owe considerable sums to other creditors on their relief debts and, at April 30, 1937, they owed to the provincial government on their account the sum of $4,608,255.74, practically all of which was borrowed by the province from the dominion.

In the light of these figures I do not think anyone can successfully contend that Manitoba is in a position to finance its own relief and, therefore, any demand which is made of the federal government should take into account that the 1937 crop in our province, grateful as we are for it, only begins to touch the volume of debt that has accrued in the province and there will have to be a continuation of these crops before Manitoba can be in a position to finance its own relief.

There were some other points brought out in the case submitted to the royal commission. I should like to read one or two state-

ments made by the provincial government with regard to tariffs. At page 18 of part VIII of the submission there appear these words:

At confederation the provinces gave up their jurisdiction over tariff matters to the dominion government. Since that time the tariff policies of the dominion, presumed to be in the interests of the nation as a whole, have worked out to the very great disadvantage of certain provinces.

We have presented to the commission evidence of the burden of this dominion policy on the people of this section of the dominion. The result of our investigation, stated in what we believe to be minimum figures, shows that the burden the dominion tariff places upon the three prairie provinces comes to the staggering total of 58 million dollars per year. This figure is twice as much as the total of all the annual taxes imposed by all three prairie governments combined. It is a heavy price to pay for the privilege of being in confederation.

In the case of Manitoba the tariff policy, as now in effect in Canada, has been found to impose a burden of 15 million dollars per year upon our people. This is an indirect tax of almost unbearable weight. It is seventy-five per cent more than the total of all our provincial taxes which are themselves too heavy. It is almost as much as the total taxes collected by all our municipalities combined. It has for many years imposed a burden exceeding $100 annually on the average farmer in Manitoba. While the tax in itself is burdensome it has the fundamental weakness that the greater part of it is not credited to the dominion government revenues. . . .

It goes on to say that the tariff has thus constituted a heavy load on the primary industries of our province and those of other western provinces.

Now, Mr. Speaker, I have shown the burden which is imposed upon the western provinces as far as tariffs are concerned. It is a gloomy picture so far as I have described it. But I was delighted the other day when I heard the speech of the Minister of Trade and Commerce (Mr. Euler). I can recall many times when hon. gentlemen opposite called him a protectionist and when the leader of the opposition used to take delight in using that term in order to embarrass him. I think after the minister's speech the other day even the leader of the opposition will have come to the conclusion that that epithet as applied to the minister is entirely a misnomer. In fact, if I were to use any word to describe him I would say that the Minister of Trade and Commerce might be called a realist. He has gone abroad in the world and has seen the effect of trade treaties, and being a realist, he recognizes that after all some of those over here who are called free traders have not been so much out of line. It was also a real delight to find the minister not only grasping with both hands all the treaties which other countries were willing to conclude with Canada, but indicating that he is still pursuing, and more eagerly than ever, other treaties, because he knows the beneficial effect of them. The increasing revenues of Canada during the past two years, about which so much was said by the last speaker, have demonstrated the value of these treaties. Could anything demonstrate better to the people of Canada that reciprocal trade treaties can have only beneficial results to the countries concerned? The minister indicated in no uncertain terms that even where trade agreements did not include certain items trade in them was also increasing and this country was getting the benefit. I say in the words of an Irishman. More power to the elbow of the Minister of Trade and Commerce.

A parallel picture was given by the Minister of Labour (Mr. Rogers) in his speech the other day. He told the story of employment conditions in Canada. It will seem most extraordinary to the mind of the protectionist, but, to the mind of a free trader, a natural consequence, that unemployment has decreased during those two years while foreign trade has been bounding upwards. Both results are linked together. I think the Minister of Labour said that in 1937 as compared with 1936 there was a reduction of 120,000 in the number of unemployed. If that is not an argument in favour of freedom of trade and the removal of restrictions and barriers to trade which some on this side have been advocating for years, then I do not know what an argument is.

I recall that the Prime Minister (Mr. Mackenzie King), either after or during the election campaign, asked the people of this country, whither are we going. Well, I know where we are going if we continue to pursue the path that has been blazed by the Minister of Trade and Commerce, the benefits of which are being shown by the Minister of Labour. The government has blazed a trail which will convince the people of Canada that freedom from trade restrictions is bound to result in increasing prosperity. They have blazed the trail; all I want the government to do now is to make it a broad highway between us and every country in the world that is willing to trade with us, and I am satisfied that the Liberal party will demonstrate that only by freedom of trade and removal of trade barriers can Canada become one of the most prosperous countries in the world.

Had it not been for the disastrous drought in Saskatchewan; had Saskatchewan been in

the position, say of Manitoba, or had she produced even half of what she produced in past years, does the country realize that every province would to-day be prosperous, able to balance its budget, and the dominion as a whole would be among the most prosperous countries on the face of the earth? That is what the position would have been but for the drought in Saskatchewan, which caused these ills that we have to remove. Nothing I could say is more pregnant with meaning than the facts submitted by the Minister of Trade and Commerce and the Minister of Labour. While it may be that some of us are more impatient than others, yet we all realize that in the Liberal party lies the only hope for the solution of these problems and the cure of these ills.

I am hoping fervently that the opportunity which is now knocking at the door of the Liberal party will be fully taken advantage of in the legislation to be brought down this session. The results of the government's policy as shown in ever increasing trade are such that the country will be satisfied with having returned in 1935 a government opposed to high protection, of which policy the people of Canada had had bitter experience. I am satisfied that the experience of the two years yet to come before an election will demonstrate to this dominion that through the removal of trade barriers and the promotion of freer trade by the methods adopted by the Minister of Trade and Commerce, Canada will become what she should be, the brightest jewel in the British crown.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, I cannot agree with a great many previous speakers who have lauded the speech from the throne so highly. Personally I cannot see in that speech a great deal to be proud of. One thing is certain. As has been stated before in this chamber, one of the greatest problems confronting us is the economic condition of our country, and we are sent here for the purpose of endeavouring to the best of our ability to correct the chaotic conditions under which we live. That is my purpose in speaking to-night. It should be the endeavour of every hon. member not to let time become a factor in closing off any address that might be made in the house when a question so important as the livelihood and very existence of our citizens is under consideration.

We have heard a great deal of praise from the opposite side of the house on the wonderful benefits of the trade agreements. It is all very well for a supporter of the government to quote statistics to prove that conditions are improving, but one only has to look about to find with greater surety that conditions are no better than they were a year ago. One thing that makes me wonder is this: In 1935 the party now sitting on the opposite side of this chamber said they were going to remedy these conditions. It has been within their power to do so; they have had the largest majority ever given any party in the house, but I say in all sincerity that so far they have not done anything to any material extent to alleviate those conditions which now exist.

Hon. members speak of foreign trade as being a cure-all for the economic conditions with which we are faced. Well, I am not of that opinion. I agree with some other hon. members, that blasting our way into the markets of the world will never solve our problems. It is not a cure-all, by any manner of means. One of the most important factors we should consider in that connection is the trade within our own boundaries. I have said before in the house, and I have no hesitation in saying it again, that I am not concerned with the tariff. We have only to consider the evidence which has been brought forward in connection with farm machinery to see that the lower the tariff has gone the higher has been the cost of machinery. The tariff in itself is not a factor. I have no objection to the tariff being lowered if that will help in any way. Certainly I have no objection to the tariff being raised in order to protect the industries within the confines of this country. But be assured that I do not favour the protection of the profits of the industries of this dominion.

If we were as concerned with the welfare of our people as I believe we should be, we in Alberta would not be faced with the situation that we find to-day in our oil industry. We have one of the greatest potential oil fields in the British Empire, something that should be of great concern to this dominion because of the fact that at present we face one of the most critical times in the history of the empire. We have often thought that we could not be thrown into another world war; yet we are facing that very possibility to-day. In Alberta we have an oil field which would be of inestimable value to the British Empire if such a tragedy happened; yet what are we doing to assist that great industry? We in Alberta are endeavouring to place that product on the market in eastern Canada. The east has bled the west for many a year, to the extent of millions of dollars. The west has fed the east, but now when we ask for

reciprocation in that regard what do we get? We are not given the slightest bit of consideration. Take the large combines, such as the railways, if you like. When we ask for a reduction in rates they do not even know the cost of transporting a hundred pounds of crude oil for a distance of a hundred miles. When a large concern, such as Imperial Oil, asks them to lower the rate on crude oil to Regina, they do not know how much they can lower the rate without losing money. But when they are faced with the possibility of the construction of a pipe line from the Alberta field to Regina they say to Imperial Oil, "What do you estimate it will cost you to transport that oil?" It was estimated that the cost would be fourteen cents. Then the railways said, "Well, we will charge you nineteen cents. How is that?" They came down just enough to enable them to meet that probable competition. That is not cooperation. We must have something more constructive. If we are endeavouring to find markets for our produce, surely a different attitude might be taken.

Just on this question of trade as a cure-all for the economic ills of the dominion I should like to remind the house that one of the great factors in the improvement, if there has been any improvement, has been the war preparations that have been carried on, as other hon. gentlemen have mentioned already in this debate. I am reminded of a speech that was made here in 1935 by the Prime Minister (Mr. Mackenzie King), as reprinted in Action for January, 1938. This is what the right hon. gentleman said:

> I think this country ought to declare that any nation which could be shown to have threatened the peace of the world by violating a pact of collective security should be denied any assistance in the shape of men or munitions, should be denied any assistance in the nature of food, should be denied any assistance through credit. Our country, small as it is, might well lay down a definite policy in that regard as expressing Canada's attitude toward any country which, upon the facts being disclosed, was found to be guilty of attempting to destroy what otherwise might be collective security. If that example were followed by other parts of the British Empire, as I believe it would be, it would soon be followed by other parts of the world.

I want to repeat these words:

> Our country, small as it is, might well lay down a definite policy—

That is my contention, Mr. Speaker, that this parliament should lay down a definite policy in regard to the very matters dealt with by the leader of the government as recently as April 1, 1935. That was a declared policy. So far we have seen nothing done to implement it. I well remember that last year, in reference to this question, the right hon. gentleman informed me that an investigation would be launched in this country to find out the exact amount of profiteering, if there were any, going on in connection with arms and munitions manufactured in Canada. So far I have heard nothing as to the results of that investigation, if indeed it was carried out. That should be one of the very first steps we should take, and I think, as the right hon. gentleman mentioned in the quotation I gave a moment ago, this country could well take the lead in laying down the policy that we would not supply other countries with nickel or other material that might be used in the manufacture of arms and munitions.

Those are matters of vital importance to us. Day after day I receive resolutions. Not later than to-day I received a telegram advocating the abolition of trade with Japan. That is all well and good; I am not against a policy of barring trade, in connection with either imports from or exports to Japan, if that would be a cure-all. I well remember that at Christmas time in the store windows in western Canada we saw large placards bearing the words, "Boycott Japanese oranges." That would not stop the war. Our refusal to buy Japanese oranges in western Canada would not make any difference. If we refused to trade in commodities not essential to war it would make no difference at all. What we should concern ourselves with is the very thing we are neglecting, namely the making of armaments and munitions in Canada. Yet, of those commodities we export to the extent of about $1,000,000 a week, $52,000,000 a year, to Japan, and no step is taken to curtail that trade.

It is essential that one of the first steps to be taken this session—we should not wait until the next one—is to see that the export of arms and munitions from Canada is stopped. We are sending armaments to Japan and, although we hope not, we are almost certain that within a short time we are going to be sending our young men over there to be killed with the very ammunition we supply. Could there be anything more barbaric than that? Why do we not do something about it? We do nothing because capitalism steps in. Huge profits are made from the manufacture and sale of armaments and munitions. We permit this condition to exist, and we do not see fit to challenge it.

May I read an extract from the Canadian Unionist of December 17, dealing with profits and patriotism:

> How the profit motive, the mainspring of capitalist enterprise, mocks patriotism is indicated by an article in Labour, official organ of the British Trades Union Congress. British

armament firms are allowed to sell their productions to any and every customer—except Spain for the time being. They may sell to potential enemies. "Why should British firms arm our enemies?" the writer in Labour asks. He points out that there are not only obvious humanitarian and patriotic objections. The indiscriminate selling of arms leads to rivalry in armaments, thus tending to make wars more and more destructive. If a British firm supplies a submarine to a foreign government, another government will want destroyers to offset the menace of the submarine. So it goes; the more armaments supplied the greater the demand.

But capitalists want profits, and workers need jobs, and the inhuman, unpatriotic potentialities of the armament industry are a minor consideration. Governments permit the sale of arms to possible enemies because they say it helps to develop the country's armament industry, and the bigger that industry is the better a country is prepared for war.

In a sane society, with production for use, instead of profit, the capital and labour now applied to the production of means of destruction would be utilized to supply better homes, better education, and better quality goods and services of all sorts.

That is the point. We talk about patriotism. If another war were declared we would preach patriotism to our young men. We would say, "Go out and fight for your homeland." Yes, we would tell them that; but we would not tell them at the same time that we have supplied the arms and ammunition to the enemy country; no, we would omit that. Our churches will broadcast patriotism throughout the country, but they, too, will omit that. When capitalism comes into contact with patriotism, capitalism wins every time.

I was deeply interested a few days ago in the observations made by the Minister of Transport (Mr. Howe) with respect to the Canadian Broadcasting Corporation. I do not criticize in every respect the actions of the corporation, because I believe in some respects they are commendable. I must say, too, that the type of program carried by the corporation is of a higher standard than those broadcast a while back. But while there are commendable features, there are features which should be criticized, and I can think of no better opportunity than the present to make the observations I have in mind.

Since announcing a fifty cent increase in the licence fees we have heard a great deal of criticism throughout Canada. True, there may be some wealthy men, like the Minister of Transport, who can afford three radios in their homes, or a radio for each member of their families. I wish them nothing but the best of success, and I trust they will be highly delighted with the entertainment they get. But unfortunately there are many people in this country who cannot afford three radios in their homes. It is exceedingly difficult for people on relief or those about to be on relief to find that extra fifty cents. Not only is it an extra fifty cents in licence fee, but these people have to pay added costs in the form of maintenance charges and radio batteries. Those are charges which people in Ottawa do not have to bear, because the situation in eastern Canada is to some extent different from that in the west so far as electrical energy is concerned. In eastern Canada electricity costs about one and a half cents per kilowatt, whereas in the west it costs anywhere from eight cents to ten cents, with an extra meter charge of anywhere from ninety cents to a dollar and a half per month. Those are matters which have to be considered. The average set owner in the west cannot afford to have the extra burden placed upon him, and I think it is unfair to increase the fee at this time. I would have no objection to placing an extra fifty cent charge on a man who has a radio in his car. Further, I could see no objection to charging a man who has three radios in his house a fee for each set. That would be all right, because if a man can afford three radios he should be able to buy three licences for them.

On the other hand, to increase the fee on one set is entirely different. I find that the fifty cent increase per radio licence would bring in a total of about $750,000. In view of the fact that not so long ago the broadcasting corporation advertised that they would have a surplus this year I would judge that with the increased revenue the total amount received would be about $2,780,000. I may be wrong in my figures, but I give them subject to correction. In view of the fact that they had a surplus last year and will have another $2,000,000 to spend this year, in the event of their doing as well in the coming year as they did in the last there would be no cause for complaint. But why is it necessary to raise the fee? That is something which has yet to be explained.

What was the reason for the increase? Was it pressure from somewhere? Probably the Department of Finance spoke again; probably an increased fee was demanded. Possibly political pressure was brought to bear, due to the loss of a few votes. However, that should not be a main consideration. May I point out that there is an interesting background to the announcement, one which was not revealed by the press. The announcement of the change was made following a closed meeting of newspaper and

magazine publishers with Mr. Gladstone Murray, General Manager of the Canadian Broadcasting Corporation. The meeting, convened in Toronto, was organized shortly after the Canadian Broadcasting Corporation had imported a number of outstanding radio programs originating in the United States. Or, to make the matter clearer, let me put it in this way: The Canadian Broadcasting Corporation imports some United States programs; the newspaper and magazine publishers call a meeting which is attended by Mr. Gladstone Murray and then the licence fees are boosted.

The trade magazine, Broadcasting, in its edition of January 15, reports—and this report did not appear in the press—that both the magazine and newspaper publishers wanted to know how far the importation of United States programs was going to go. They claimed they were losing big advertising appropriations thereby. "Broadcasting" says it is understood that one publisher suggested that parliament be asked to grant the Canadian Broadcasting Commission a subsidy over a period of years so that commercial programs would not have to be broadcast by the Canadian Broadcasting Commission. In other words, the newspaper and magazine publishers want the government to bear the cost of broadcasting so that they will be able to get the money of the advertiser which now goes to pay for broadcasting. They want the cost of broadcasting to come out of the pockets of the people of Canada rather than out of the pockets of advertisers. Now, this is a significant paragraph, which appears in the January 15th edition of the weekly magazine Marketing, published in Toronto. Says the paragraph, referring to the Toronto meeting:

> A constructive suggestion was made that if the Canadian Broadcasting Commission would seek to secure its needed additional revenue by increasing the licence fee on radio sets, the press would stand back of it and help the public realize that such increase was just and necessary; otherwise the press would have to consider the advisability of revealing what the Canadian Broadcasting Commission is doing in flooding Canada with United States programs.

Now, there you have not only a suggestion from the publishers to the Canadian Broadcasting Commission but a direct threat. The Canadian Broadcasting Commission must either boost radio licence fees or undergo a bombardment of newspaper criticism from coast to coast. But let the Canadian Broadcasting Commission boost the fee, and the press would use propaganda from coast to coast to prove to the people that the increase was necessary.

[Mr. C. E. Johnston.]

Well what happened? On January 19 an editorial on the subject appeared, for instance, in the Calgary Herald, and one paragraph read as follows:

> The Herald is of the opinion that the radio corporation is on untenable ground in seeking to justify the importation of foreign advertising programs solely on the need of additional revenue. There is another obvious channel open to them which would not invite logical criticism now so freely voiced.

I pause to remark that we heard little criticism and much praise for the corporation when it imported the programs. However, to continue with the Herald's editorial:

> The other obvious channel from which the corporation may obtain revenue is—by way of increasing the cost of each radio licence from $2 to $3. . . . By raising the fee one dollar, the net revenue on last year's basis would be increased to $2,780,000, a sum which should make the corporation independent of revenue from foreign advertising concerns.

That is the end of the quotation. It points to the attitude of the press—soak the people so that they, the publishers, can get their hands on the money of the advertisers.

The press, by its direct threat of criticism, placed the corporation in a most embarrassing position. By demanding that radio licence fees be increased, the publishers placed the corporation in the line of fire for criticism from every radio owner in Canada—the very people whom the corporation is called upon to serve; the people whose protests would do more than anything else to destroy the corporation. The publishers demanded an increase of $1. The corporation compromised and increased the licence fee by fifty cents.

There was a great deal of concern by the papers throughout Canada about the tremendous amount of United States broadcasting, but when one considers that only eight and a half hours, out of, I believe, ninety-eight hours, was thus being used, their protests are not impressive. Certainly there was not much complaint when it was first introduced; on the other hand everything in the line of praise was given to it; and when the corporation have selected, as I have said, some of the best types of United States programs, it seems curious that the press should take such great objection to this increased revenue. No, what they want is the money which was derived from that source. Here you have an example of the "freedom of the press" which was mentioned a moment ago. Who is controlling the country? The press. The only freedom they should have is the right to print the truth; that is as far as their freedom should go.

One other matter with regard to radio I do not think I can properly omit. **In the west** we have a different situation, perhaps, from

what prevails in the east, although the difference is not great. We are now asked to pay a fifty cent increase in the fee; but there is many a time out west, as well as in this city, when you turn on your radio and because of local interference you cannot hear anything. In fact the situation became so bad that a petition was sent to me from my constituency protesting against the interference, but no consideration is given as regards an adjustment of the fee. I had occasion to visit Calgary, where I was received very courteously by an official of the radio branch there—I believe it was Mr. Ainslie—with regard to this interference in radio. A trouble man was sent out to investigate the matter. He came out within a week after I visited the office, and made a thorough investigation of every radio concern in that town. He found that a great many machines were running without condensers, without means of eliminating this interference. He went around to each one of the firms, pointed out that this condition should be corrected, and told them how to do this. He then came around to my house and said he would return in one week. He did so, but things were just as bad. He made another round of the town and advised them again.

The point is this, that we are now paying fifty cents more for a licence; yet there is no regulation by the Canadian Broadcasting Corporation or by this government which gives these trouble men authority to say to owners of machines which are interfering with reception, "You must change that or you will get into trouble", or "we will prosecute you." There is no regulation which directly covers this matter. These trouble men are much concerned about it, and I think properly so, and I should like to see the Minister of Transport provide by regulation that when they go to all the trouble and expense involved in checking up on interference they should be granted some authority whereby they can compel owners of machines which cause electrical interference to clear it up.

There is another question that I must mention. It has been referred to before, but it is of too great importance to be permitted to slip by as idly as has happened so far. I refer to the charges of political graft that were made not long ago in the house.

At 11.02 p.m. the house adjourned, without question put, pursuant to standing order.

Friday, February 11, 1938

The house met at three o'clock.

PRIVILEGE—MR. BENNETT

QUESTION OF RULES ARISING OUT OF DISCUSSION OF FREIGHT ASSISTANCE ON LIVE STOCK

On the order for motions:

Right Hon. R. B. BENNETT (Leader of the Opposition): On a question of privilege affecting the rights of members of this house I desire, Mr. Speaker, to direct your attention to the telegram that was placed on Hansard yesterday purporting to be sent by the minister of agriculture of the province of Saskatchewan.

In so far as the telegram deals with a contradiction of statements made in this house I do not propose to raise any question at the moment except to say that it may be questioned. On that phase of it which reflects upon one of the members of this house and casts aspersions upon his conduct and his bona fides, I desire to raise a question which I shall not discuss at this time in view of public business, but I ask you, sir, to deal with the matter, and I direct the attention of the Prime Minister (Mr. Mackenzie King) to the language of the closing part of the telegram. I think the minister himself will agree that it is not a document that should be placed upon the record; for no one outside of this house has a right, without contravening the privileges of a member of this house, to cast aspersions and reflections upon his honesty or his conduct. However much a man not a member of this house may desire that a misstatement be corrected, the moment he engages in argument in the message he transmits through a member of this house he contravenes the rules of parliament and one of the privileges of this house and of every member of it.

I shall discuss the matter at a more convenient time, but I desire to direct your attention, Mr. Speaker, and the attention of the Prime Minister, to the matter, which is one of very serious moment as far as the privileges of the members of this house are concerned.

Hon. J. G. GARDINER (Minister of Agriculture): I should like to point out through you, Mr. Speaker, that in his speech the other night the hon. member for Qu'Appelle (Mr. Perley), called attention to the fact that a certain man who was known to myself as a minister in this government had been given some special consideration by the government of the province of Saskatchewan. For

that reason I think I was justified in calling attention on the floor of this house to the representations made, and to have those representations put in a clear light before this house. That is all the telegram does which was read to the house yesterday.

Mr. BENNETT: That is not what it does.

Mr. GARDINER: In order to confirm what I have just stated I would say that if my right hon. friend will look at page 290 of Hansard and read the reference which was made to Mr. Laidlaw he will find that the hon. member declared that Mr. Laidlaw on account of his financial position was not entitled to any consideration at that time. In reply to that statement the telegram merely says that the hon. member himself together with Mr. Laidlaw made application to the government for consideration in relation to seed in the spring of last year. I think that is an answer in full to the suggestion that this gentleman was not entitled to consideration after he had lost another crop. The facts are very clear, as outlined both in the remarks of the hon. member and in the telegrams replying to those remarks.

As to whether it is within the rules of the house to have the reply placed upon Hansard in the manner in which it was done yesterday, that is another matter upon which you, Mr. Speaker, will rule. So far as the facts are concerned, nothing has been produced to indicate that they are other than as I have stated them to the house at this time.

Mr. BENNETT: Mr. Speaker, I did not read the telegram, but it was the latter part of it with which I was dealing, not with any question as between the minister and any member of this house or any person outside of this house. I was dealing solely with the privileges of this house and of every member of this parliament. I did not read the telegram because I did not wish to take the time at that moment, but I shall have to do so now:

. . . Laidlaw until recently tenant of Perley but declines to continue. Municipality advanced seed and supplies to value of four hundred eighty-two dollars fifty-four cents in 1937, being about half amount desired by tenant and landlord. Termination of tenancy by Laidlaw may partly explain criticism. Understand tenancy has been unprofitable throughout to Laidlaw which reduced him to circumstances necessitating aid in shipment of live stock out.

That is the part to which objection is taken and which I think should be dealt with by you, Mr. Speaker, for the future guidance of this house.

Mr. GARDINER: Well, Mr. Speaker, the section to which I referred a moment ago, which was not read but which is answered by the part of the telegram now referred to, is as follows:

Another man I know well shipped 100 head to Gladstone, Manitoba, where they are being wintered. This man is well known to the Minister of Agriculture because he was a contractor who from the government which held office prior to 1929—

That is the government of which I then was the head.

—had received many contracts. He built bridges north of Wolseley across the Qu'Appelle river, and built an overhead bridge at Roche Percée.

That, by the way, happens to be in the constituency I now represent in this house.

He went out to British Columbia this year, in company with his two sons and a nephew, and made money. One son told me that his father had drawn $12 a day all summer and that the boys had drawn $7. That man had one hundred and ninety head of cattle, and did not sacrifice any of them. They shipped three carloads, with free freight, to Gladstone, Manitoba, and are wintering at that point.

Then I put in a remark which was intended to be in the form of a question. It is not so reported, and I would suggest that it might be put in that form.

Mr. Gardiner: We paid the freight?

Mr. Perley: Yes, you paid the freight; I am glad the minister mentioned that. That man was no more entitled to free freight than the man in the moon. He had been a contractor all his years; he had built the bridge at Roche Percée.

Again referring to my own seat.

He had one hundred and ninety head of cattle, three cars of which he had shipped to market, and certainly was not entitled to free freight on the others.

I wish to point out that the facts are these: This man does not now and to my knowledge never did live within the one hundred per cent drought area. He lived outside the one hundred per cent drought area but within the area from which cattle are shipped free of freight for anyone who wants to ship cattle out and bring them back again to their present location next spring. The references to myself, and to a section of my constituency that has no relation to the matter under discussion, apparently are made with certain intentions, and I think I am within my rights in this house in drawing the attention of the house to the fact and to indicate that they do not apply to the discussion in any way whatever. I would suggest that the latter part of the telegram in question is a complete reply, in that it indicates that the gentleman who is being discussed, although known to myself, previous to July

last was a tenant on lands owned by the hon. member who was discussing this matter in the house.

Mr. BENNETT: He so stated in his speech.

Mr. GARDINER: No, the speech does not state that clearly.

Mr. BENNETT: It makes it clear to me.

Mr. GARDINER: This is what the speech states:

> Two of my tenants shipped stock there; one shipped six hundred sheep and the other shipped all his stock, including horses and cattle. All are wintering there.

Then notice this:

> Another man I know—

And it is the other man he knows who is the gentleman named Laidlaw who, previous to July, was a tenant on these lands and who asked for and received seed grain under the government guarantees last spring. The argument of the Minister of Agriculture of Saskatchewan is that if he was a person entitled to receive seed and other supplies one spring, having lost another crop surely he was still entitled to receive consideration from the government of the province of Saskatchewan. That is all that the telegrams indicate.

Mr. BENNETT: That does not deal with the question at issue, Mr. Speaker.

Mr. SPEAKER: Does any other hon. member wish to speak to the matter?

ELECTRIC POWER

TRANSFER TO PARLIAMENT OF CONTROL OF EXPORT EXCEPT IN INTERNATIONAL EMERGENCY

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 21, to amend the Electricity and Fluid Exportation Act.

He said: While this bill in form constitutes a general amendment and recasting of the Electricity and Fluid Exportation Act which has not heretofore been amended since it was passed in 1907, in substance its object is to transfer to parliament itself the power at present legally vested in the governor in council to control the export of electrical power from this country.

The bill does not affect the licences to export power which have already been granted, nor does it take from the governor in council the right to renew or cancel the existing licences. It does provide that no further exports of power may be made unless they are specifically authorized by a private act of parliament.

An exception to this rule is made only in the event of a temporary international emergency and only for the duration of such an emergency.

Motion agreed to.

Mr. MACKENZIE KING moved the first reading of the bill.

Right Hon. R. B. BENNETT (Leader of the Opposition): This is not a debatable motion, but the right hon. gentleman used the words "private bill." I should hardly think it could be designated a private bill. It would be a public bill of a private nature, but in any event it would be a public bill that granted the right to export electricity from this country, I should think.

Mr. MACKENZIE KING: The point raised is a matter of terminology.

Motion agreed to and bill read the first time.

DIVERSION OF WATER

EFFECT OF BOUNDARY WATERS TREATY WITH UNITED STATES RESPECTING DIVERSION FROM LAKE MICHIGAN

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have a further reply to make to the hon. member for Davenport (Mr. MacNicol); not with respect to the question of privilege he raised yesterday but with respect to the question he raised the day before on the orders of the day, concerning the diversion of water from lake Michigan.

The treaty to which the question refers is doubtless the one commonly known as the Boundary Waters Treaty signed in 1909. It was ratified in 1910, but the customary practice is to describe a treaty by reference to the date of signature.

I do not think it is advisable to enter upon a detailed explanation of the government's position upon a legal or international question merely because of some controversial statement. The Canadian position has been indicated in a number of official publications containing correspondence and other material, such as sessional papers numbers 101 c-d-e-f-g, 157, 180, session of 1924, "Papers relating to the St. Lawrence waterway project and the Chicago drainage canal"; "Correspondence relating to diversion of the waters of the great lakes by the Sanitary District of Chicago, from March 27, 1912, to October 17, 1927"; No. 227-1928, "The Senate of Canada—Proceedings of the special committee appointed to inquire into the development and improve-

ment of the St. Lawrence river," 1928. Beyond saying that no Canadian government has ever accepted the interpretation to which the hon. member's question refers, I do not think I need do more than direct his attention to those publications.

As is well known, the diversion in question has occupied the attention of Canadian and United States governments for many years. There have been various stages in the negotiations and the effort has been to work out practical solutions which might afford reasonable safeguards to the various interests concerned. The immediate subject of the question of the hon. member for Davenport has come to the attention of the departments concerned, and the house may be assured that such matters are taken into account and carefully considered.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 10, consideration of the motion of Mr. J. N. Francœur for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Bennett.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, before the house adjourned last night I had not completed my observations, and I should like to speak first with respect to a matter which has been referred to on one or two occasions, namely that having to do with elections, and levies made from certain contractors.

It may be said that I am following the pattern or the insinuations left by the leader of the opposition (Mr. Bennett), but notwithstanding that I must refer to the observations of the Minister of Agriculture (Mr. Gardiner) as they are reported at page 156 of Hansard. He said:

To the hon. member for Peace River—

Referring to Mr. Pelletier—

—I would say that when he has been longer in the house, or it may be in some other house, he will realize that when a man across the floor throws out vague insinuations in his remarks he is not making a charge.

It may be true that some of the younger members of the house cannot clearly distinguish between insinuations and charges, but notwithstanding that, I think it would be well to recall to the house the exact words of the right hon. the leader of the opposition.

A contribution is one thing, but a levy of a certain per cent is another. The time has come when this must stop because the contractors themselves are complaining.

[Mr. Mackenzie King.]

That part may be the insinuation. However, I shall read further:

Mr. Howe: As one who places a great many contracts for this government I ask the right hon. gentleman to give me a specific instance of a levy.

Mr. Bennett: I can give the minister as many as he wants, but I am not going to do it here and now.

And this is the point I wish to emphasize:

What is more, I know of levies being made in connection with Canadian National Railways contracts.

Mr. Bradette: That was under Mr. Manion.

Mr. Bennett: No; it was not; it was in the last few months. Let us have no misunderstanding about that.

Mr. Howe: The right hon. gentleman has said either too much or too little. This matter must be threshed out.

Mr. Bennett: It can be threshed out any time you want any committee of this house that you desire to appoint to go into the matter.

I say, Mr. Speaker, that the reference here made by the leader of the opposition in connection with levies is no vague insinuation, in my interpretation of the word. I believe it is the charge of a man who apparently knows of such illegal practices in connection with these contracts. I say this house should know whether such things are being done. It is not a question of trying to avoid the issue; rather we must come out clearly and show, not only to the public but to hon. members, whether such a charge is true or false.

I think any hon. member would be only too willing to have a committee set up, as I understand it may be, and to have the matter investigated. I know from actual experience in the west that the money being sent in there is not received by contributions from the people. This brings up a serious question, of which I think hon. members must take serious notice. There is a condition arising in the west caused either directly or indirectly by this very thing. Last year when speaking to the house I said that unless something was done in the next session at Ottawa there would be serious consequences, and that a serious situation would arise for which the government would be directly responsible. I wish once more to draw the attention of the house to that very fact.

There is a condition arising between the west and the east which is of great importance, and it is imperative that the house take these matters into consideration. The feeling in the west is becoming greatly intensified by such conditions as I have just pointed out, in connection with elections, and they are wondering where the money comes from for election propaganda. We know that thousands of

dollars are being spread out through the west for propaganda purposes. The question every honest citizen is asking is this: Where is that money coming from? How can we expect the people of Canada to express a conscientious and sincere vote, when money is being taken presumably from the east and sent out to the west to be devoted to all sorts of propaganda? That is not the way to induce good citizenship.

In the west we have conditions which are not found here in the east. In Alberta there was an election in which the majority was the greatest of that found in any province, and it was not done by graft on the part of political parties or by contributions from organizations. It was done by nickels and dimes given by those poor people out there who realize that something must be done.

Mr. McPHEE: What about the promise of $25 per month?

Mr. JOHNSTON (Bow River): If the leader of this Liberal government had kept his promise they would have got their $25 a month. Do hon. members know that the leader of this government said, "I wish with all my heart that social credit may succeed"? His policy was "hands off Alberta". Any hon. member knows that Alberta has had every obstacle put in its way, and chiefly right from the Liberal party in this house.

Mr. REID: The hon. member knows that is false.

Some hon. MEMBERS: Oh, oh.

Mr. JOHNSTON (Bow River): It will be something more serious, and will not be laughed off so easily. It would do hon. members of the Liberal party good to go through the western provinces and see some of the conditions out there. If they did they would realize that the people of the west are sincere in their desire to rid themselves of the condition in which they find themselves.

Hon. members ask about what the Social Credit government has done with respect to its promises. I say that Alberta has been discriminated against on every hand. To-day Manitoba is bringing down legislation which will increase bank taxation to the extent of about $50,000. I venture to say that the Manitoba bill will not be disallowed. They are increasing the corporation tax to the extent of $350,000, but that bill will not be disallowed. The province of Ontario is increasing taxation in connection with banks, but that bill will not be disallowed. Why not? Why are these bills not disallowed? The padlock law of Quebec was not disallowed. Why not? The answer is only too obvious.

As was pointed out by the right hon. the leader of the opposition, the banks should stand on their own feet. That is all we ask out there. One of the members of the Liberal party—I believe it was the hon. member for Vancouver-Burrard (Mr. McGeer) is reported to have said that banking institutions were the biggest swindle in the Dominion of Canada, or anywhere in the world. Why not let the banks stand on their own feet? If that were done we would soon find that Alberta would take care of itself, and that no favours would be asked from eastern Canada.

I do not think it is in the interests of Canada that there should be set up differences between the people in the west and those in the east. It is my belief that we should make every endeavour to bring these two parts of the dominion together. We must make an effort to save the Dominion of Canada. The actions of the present government have done more to disrupt our confederation than anything that has been done in the past, or is likely to be done in the future.

I should like to refer briefly to the statement of the Minister of Justice (Mr. Lapointe) with reference to certain laws in Quebec. He is reported on page 182 of Hansard as follows:

> I wonder how my fellow citizens of Quebec would like it if we had a system under which the provinces would disappear, where a nazi or totalitarian form of government in Ottawa would direct everything and everybody?

Thank goodness the people of Quebec have some intelligence and are able to see in which direction things are going. Why do they oppose this amendment to the British North America Act? Because they see that the purpose of the government is to form a centralized government and take all power from the provinces. The provinces will not be legislators in any sense of the word, they will be mere administrators. How can the government expect the provinces to agree to a bill the terms of which they do not even know? This reminds me of the loan council which it was proposed Alberta should join. Alberta did not know what it was all about and refused to join. Then Saskatchewan and British Columbia came and asked for a loan and got it without being asked to agree to the loan council. No wonder the provinces are trying to save their autonomy. The purpose of this government is not to have a united Canada, but a united dominion government. The provincial governments will become mere administrators. I think the province of Quebec should be congratulated upon seeing that far ahead.

Some reference has been made to the proposed amendment to the British North America Act. I do not intend to speak on this matter at any length as I think it has been covered quite ably by my colleague, the hon. member for Jasper-Edson (Mr. Kuhl). The point is that the provinces are being asked to agree to an amendment about which they know nothing, and about which they have no way of knowing unless this government gives them the desired information. Anyone can see that the purpose of the government is to centralize power, to take all power away from the provinces, and, as I have said, leave them as mere administrators.

Why is it necessary to have so much governmental expense? There is no question that we are over-governed. I agree with the hon. member for Jasper-Edson when he says that what we need is not an amended constitution but a new constitution under which no province will be left with a grievance. I believe that we could do away entirely with our present form of dominion government. I suggest that there should be fifteen members in each of the provincial legislatures to look after provincial affairs. Then the premiers of all the provinces could meet for six or eight weeks, or perhaps three months in every year, as a dominion government. In that way more work would be done and there would be more unity in the dominion. The different premiers would know more about the problems which face the provinces than we do as members of this House of Commons. A great deal of trouble between the provinces, would be avoided, and the tendency would be to hold them more closely together. We would then have a properly constituted confederation.

Mention was made the other day of the distribution of relief in the west, and I want to take this opportunity to thank the government for what has been done. This work was carried out in a most admirable way, although there were some abuses about which the government may not have information. It is a wonderful thing that the people of eastern Canada saw fit to come to the assistance of the people in the west. However, in some instances, perhaps through laxity of administration, abuses did occur and advantage was taken of this distribution of food.

When carloads of apples, cheese and beans arrived at places in my constituency and outside of it, every solitary person in the particular town got some relief. An hon. member of the government, from what constituency I have forgotten at the moment, referred the other day to the fact that everyone was more than satisfied. I know of cases where everybody in a town, including the doctor, lawyer and storekeeper, got boxes of apples and other foodstuffs. The food was never sent out west with that intention, and I am sure those who sent it would not be at all pleased if they knew that some of it had been distributed to people who had an over-abundance. In conclusion, I express the hope that the government will check up on this matter more closely and see that these things are not distributed in that way.

I intend to support the amendment to the motion for an address in reply to the speech from the throne.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, on behalf of the people of my constituency and the province of Alberta I should like to join with the hon. member for Bow River (Mr. Johnston) in thanking the people of the other provinces of Canada for the help extended in our recent need. The supplies sent in were very much needed by the people and they certainly were appreciated. We are hoping that conditions in Alberta and throughout Canada will improve to such an extent that everyone will be able to stand on his own feet and provide himself with a livelihood without applying for help from other parts of the dominion.

The speech from the throne referred to the fact that there has been a further substantial advance in Canada's economic recovery. I am sure we are all glad to hear it, but I am sorry to say that some of us have not been able to share in that prosperity. We find evidence of a large increase in the output of our mining industry, but we also find a considerable decrease in our agricultural production. Wheat production has been one of the mainstays of the dominion in years gone by. In 1937 the production amounted to approximately 182,000,000 bushels. At one time we figured on an average production of around sixteen bushels per acre, but the average production last year in my district amounted to only eight bushels per acre, and this year it is down to between three and four bushels. The farming communities of Alberta have not felt the benefits of improved economic conditions in Canada.

The mining industry is gaining ground quite steadily, but, if I may use the phrase, this gain has been abused to some extent. Several million dollars' worth of war materials have been exported, and it is possible that in the near future these materials may be used to kill our young men who may be called to defend the country. A short time ago I was reading a book entitled Merchants of Death, and I read the following at page 254:

In England the Imperial Chemical Industries (I.C.I.) monopolizes the chemical industry.

It, too, owes its real importance to German patents which it secured after the war. It is very closely tied to the government and frankly acknowledges its readiness for war. It was this company in which Sir John Simon held 1,512 shares which he sold during the far eastern disturbances. Sir Austen Chamberlain was at the same time shown in possession of 666 shares, and Neville Chamberlain the holder of 11,747 shares. In order to guarantee its national character, it is provided that non-Britons may never hold more than twenty-five per cent of the total shares.

I have often wondered whether war can be prevented by governments or whether it is encouraged by governments. I find from that same book that the press has been used to a very great extent for the promotion of war and, at the same time, the sale of large quantities of armaments. If we are selling war materials for the purpose of maintaining wars or making large profits out of the manufacture of armaments, I should like to see our economic recovery retarded a little by withholding the sale of these materials for war purposes.

In the speech from the throne no reference is made to reductions in taxation. Two years ago we were asked to increase the sales tax from six to eight per cent, and we find now that boasts are being made of the large amount of revenue that is being collected. I should very much like to see that sales tax reduced, if not removed entirely, so that people who are in the bread line or on the border line between the bread line and something just a little better may have an opportunity to get the necessaries of life without having to pay a tax of eight per cent.

It is also proposed to increase our radio licence fee by fifty cents. Personally I do not kick about an increase of fifty cents, which means only one cent a week; but the house must remember that there are in this country many people who have not money enough to buy necessary food and clothing, and to whom this increase of fifty cents will mean quite a little.

The youth training movement is something which I believe everyone is glad to see advanced. Personally I should like to see a little more money spent for this purpose. For the last eight or nine years at least we all know that thousands of young men and women who have left school, and some of them universities, have been unable to find work when they got out and have been having a hard time of it. Many of them have hopped on freight trains, if they could dodge the police, and set out to look for work wherever they could find it. As a result of these conditions crime has been on the increase, and it is not the fault of these young people, because they have to eat, and being refused help, they have to do something for themselves.

I think changes should be made in the regulations governing the youth training movement so as to permit young men from the farms to take up other lines of work. At present a young man who has his home on the farm, no matter how poor that home is, cannot go into one of these training schools unless he is able to pay for his own board and lodging. I do not think that is fair. It excludes many young men on our farms who are not satisfied with farm life, and who would be only too glad to learn some trade which they could be taught under the youth training scheme.

There are quite a number of royal commissions at work throughout the country at the present time, and we hope to have some of their reports for study in the near future. The national employment commission is, I believe, about wound up, and it finished its labours without making a complete registration of the unemployed and those on relief. For instance, you could pick out family after family in western Canada, and in eastern Canada as well, where there are young men and women unemployed, but because they have a home they do not register as unemployed.

We are expecting very soon a report from the royal commission that is inquiring into the textile industry; also a report from the veterans' assistance commission. A number of us are hoping that something radical will be done for the veterans this session. It is now nearly twenty years since they came back to Canada. Before leaving for the front they were told that Canada would take care of them when they returned, but up to the present this has not been done to the extent we desire.

The wheat commission is also sitting; and then there is the Rowell commission, as to which all the provinces do not agree. We have also on the table before us the report of the committee that inquired into prices of agricultural machinery. The report was tabled last session, and I understand still lies on the table. I hope drastic action will be taken to reduce prices when that report is finally adopted by the house. In 1935 the tariff on farm machinery amounted to 25 per cent. At that time an 8-foot International McCormick-Deering binder, delivered at my nearest station, cost $272.50 cash. In the 1936 session legislation was passed reducing the tariff from 25 to 7½ per cent on agricul-

tural implements, but still anybody who wanted to buy a binder to cut his 1936 crop had to pay $290, or an additional $17.50 even after the tariff had been cut by 17½ per cent. We have gone to school, some of us perhaps longer than others, but by no system of mathematics can we figure out just how the price could increase that much with a reduction in the tariff of 17½ per cent.

The profits of the International Harvester Company amounted in 1935 to $19,618,000, and in 1936, apparently taking advantage of the tariff reduction and an increase in their prices, their profits were $29,760,000. An investigation at that time showed that the company had also a secret fund of $40,000,000, which had not been disclosed up to that time. In view of this and other information brought out, we are hoping that the government will carry out at least one of its promises and do something in connection with farm machinery prices.

Turning now to prices of motor cars, you have your automobile factories in Ontario, and your car prices are not very much affected by freight rates. Just the same, car prices here, as all hon. members know, are far higher than they should be, much higher than they are in the United States; but on account of the subsidies given to manufacturers, those prices are allowed to continue. Those of us who live in the west have to pay heavy freight charges on the ordinary light car. Take for instance the Chevrolet; it costs us for freight $135 in addition to the price paid in Ontario, so that residents in the east are a little better off in this respect than we are. Considering the price we have to pay for our cars, and the tariff protection provided for car manufacturers in Canada, I was interested to read the following in the Edmonton Journal of January 10, 1938:

> Washington, Jan. 10. A congressional committee, giving the public a peek into the 1936 pay envelopes of the United States' highest paid industrialists, movie stars and financiers, disclosed Sunday Alfred P. Sloan, Jr., of General Motors, tops the list with $561,311. Thirteen men received in excess of $300,000 each for the year, the report showed, and nine of them were officials of the General Motors Corporation. William S. Knudsen, its vice-president, ranked second to Sloan, with $459,878. . . . The report showed that 336 General Motors Corporation officials received $15,000 or more and 56 of them got at least $50,000.

In view of the conditions existing in Canada to-day, of the millions of dollars which have been handed out in relief or are to be paid at some future day, and of the salaries which I have read to the house, is this not another place where the government might consider tariff reductions and give the people another break? Most of us are pretty well broke at the present time; give them the other kind of break for a change.

It costs quite a lot for the gasoline required in the operation of an automobile. In this connection I was interested to find the following report of what took place the other day before the tariff board. I quote from the Ottawa Journal of February 5, 1938:

> Widespread cheating of Montreal motorists as they buy gasoline was alleged before the tariff board Friday by Charles E. Austin, representing the Joy Oil Company, operating in Toronto and Montreal.
>
> Austin said his company had sent a test car to seventy-five Montreal stations. The car was operated on a special gasoline tank. Purchased gasoline went into another tank. At 68 of the 75 stations short measure was received, in many cases the shortages ranging from one to three gallons on five-gallon purchases.
>
> He charged the alleged evil became apparent when the major oil companies abandoned direct operations of their retail stations and leased them to individuals.
>
> "It is what I would expect in the long run and over the whole picture unless the number of stations is greatly reduced," said Chairman George Sedgewick. "If the load is put on the boys running the stations, then the loss is there. Somebody's got to pay for the fool distribution system and if the companies won't then the lessees of the stations must."

Here, again, is an abuse which I believe can be remedied if the proper action is taken. We have laws on our statute books regulating weights and measures, and such a glaring case as this, where in sixty-eight of seventy-five stations short measure is received, sometimes ranging from one to three gallons on a five-gallon purchase, looks like rampant short measure operations. Or, to go a little further away, if the government intend to do anything about this I suggest that they check up on barrel measures being supplied in different parts of Canada. In the past I have bought quite a lot of gasoline in barrels, and it is nothing new to find that the gas comes only within six or sometimes eight inches of the top, when in order to get full measure it should be close to the top of the barrel.

I understand that the elections and franchise acts are to come up at this session for amendment. Here, also, something radical should be done. In view of information which has been received during the past two weeks and commented upon on both sides of the house, it seems to me that drastic amendments should be brought in, and if we are not able to rectify the wrongs by amendments to these acts we should proceed to amend whatever are the appropriate statutes. I do not think

there is any doubt that wrongs exist, and the common people again must pay the shot. If our people were treated with the justice to which they are entitled, probably relief could be cut to a considerable extent.

Another matter in which I am very much interested is the wheat board. At the last session a number of protests were forwarded to Ottawa. To those protests the government has turned a deaf ear. One hon. member of this house, speaking before the royal commission, is reported to have said that "the government have sterilized the Wheat Board Act." That is about what it amounts to. It seems strange that they should have done so. We know that many farmers, particularly in the west, were depending upon that board to obtain for them a square deal. We know that very little reason is apparent at times for the price of grain on the exchange going up or down. Here is an instance of a prediction which looked very foolish but nevertheless had the desired effect and, I assume, enabled certain people to make large profits. I read from a market letter sent out by the Searle Grain Company, February 3, 1938:

A few days ago the world wheat advisory committee issued a formal statement to the effect that if the present world wheat acreage is maintained, and if average yields should occur, and if the demand for wheat does not increase, then a disastrous glut of wheat would appear by August 1st, 1940. The committee estimated that on that date the world wheat carryover, or surplus, would be not less than 1,370 million bushels.

The immediate effect of this news was to unsettle wheat markets. Price dropped two cents at Chicago, with corresponding drops on other markets. World wheat buyers and millers could not be expected to be over-anxious about stocking up their bins when the London wheat committee suggested there will probably be a disastrous glut of wheat in the near future.

That is all supposition. I read three "ifs" there and on the strength of those ifs, which we know might be shattered by several different circumstances, the price of wheat dropped two cents a bushel.

We find also that as soon as the farmer starts to haul his wheat the price goes down and stays down during the time he is delivering his grain. Commencing August 1, 1936, and continuing until December 12 of that year—the period that most of the wheat is delivered by the farmers—the low at Fort William for the period was 96⅝ cents and the high $1.14¾. Commencing again with the week ending December 19 we find that the low from that period until the end of the 1936-37 crop year was $1.20⅝ and the high $1.50⅞. The purpose of the wheat board is to level up the average selling price and give those who are compelled to sell immediately after threshing just as good a price as is received by the man who is able to hold until a later day. It is also meant to take some of the speculation out of wheat, but perhaps that would make the farmers too prosperous, so we are denied the right to use that board unless the price of wheat gets below the cost of production.

Last season we had the very strange condition of both price and grade of wheat dropping. I know one man who at the end of August, started to haul less than 2,000 bushels of wheat; when he started it was grade No. 1 but by the time he had finished it had dropped to grade No. 3. That is a serious matter and one that should be taken care of by this government. We find also that the difference in price and grades ran as high as at least 29½ cents that I know of between No. 1 and No. 3, and as high as 20 cents between No. 2 and No. 3. For quite a number of years we were accustomed to the spread between No. 1 and No. 3 running around 8 cents. In the past elevator companies by keeping their elevators nearly full were able to make quite substantial earnings on the storage of grain. But this year, because the grain was not there, apparently some other way had to be found, and I suggest that this spread in price is to help pay the overhead of the elevators. It seems very strange that at the beginning of the season the grade of practically all kinds of grain, whether old or new, dropped down to No. 3. I know one small town from which eight cars of No. 1 were shipped last season; samples were taken of that grain and sent in and came back in some cases No. 2 and in some cases No. 3. So it looks as though the graders this year do not know their business or else those last year did not know it. Again, after most of the grain had left the farmer's hands we find the grading has eased up to a very considerable extent. For some weeks before I left to come to Ottawa some farmers were getting No. 2 again, although that was impossible at one time when the grain was going in from the farm.

Now I should like to read part of a speech delivered here by the right hon. Minister of Justice (Mr. Lapointe) on March 30 last, reported at page 2294 of Hansard. Replying to the hon. member for Winnipeg North Centre (Mr. Woodsworth) the Minister of Justice said:

With regard to disallowance, I am surprised that the hon. member should suggest the disallowance of provincial legislation.

Mr. Woodsworth: I did not suggest it.

Mr. Lapointe (Quebec East): Ordinarily the hon. member is very much opposed to arbitrary measures.

Mr. Woodsworth: May I say I did not suggest it. I said there was a power of disallowance, but I made another suggestion.

Mr. Lapointe (Quebec East): For many years the power of disallowance has not been resorted to by the government of Canada. The same power of disallowance existed in connection with federal legislation in the hands of His Majesty the King, represented of course by the Imperial government. That power has not been exercised for many years. In fact, at the imperial conference of 1926, and later in 1930, it was formally declared that this power no longer constitutionally exists, and that the imperial parliament has no constitutional right to disallow laws of the parliament of a dominion.

I would not say the same condition would apply to provincial legislation, but it has often been stated by the courts that within the sphere of their own jurisdiction the provincial legislatures are sovereign. I do not think that in a federation such as this the power of disallowance could easily be exercised by the central government. I believe the provincial legislatures feel that they are still supreme and sovereign within the sphere of their jurisdiction.

I understand the act has been assented to by the lieutenant governor. If, as the hon. member suggests, it is ultra vires, then the courts will so rule. The courts will declare that it is ultra vires, and it is better that the courts so declare than that the Minister of Justice do so, because there would be no appeal from disallowance by the minister. On the other hand there would be appeal from a court decision, and there would be a final judgment as to whether or not it is within the powers of a province to legislate in the matter.

A little further on he says:

The hon. member spoke of communism and the way to fight it. He asked what our stand against communism would be. I am pleased that the debate gives me an opportunity to express my views as to the doctrine of revolutionary communism. I have never concealed my views on the subject. I am opposed to everything that they teach and preach. I am against their doctrine on moral, religious and sociological grounds. With the exception of a few individuals, I think our whole population is opposed to the spreading of this doctrine. I believe the best way to fight communism is to eliminate the causes of discontent which exist among many classes of our population. We should try to give justice to everyone, to the poor, the same as to the rich, to the humble the same as to the powerful. We should endeavour to eliminate the grievances and abuses which now exist in our system. But while that system may need reforming, we still want to keep it.

I believe that is a good idea. I was very glad to hear the minister say that, and something more a little later in that same speech, but I am sorry that since that time he has turned in the other direction. We find that other powers are crushing Canada to-day, and that the minister, as well as the government, has seen fit to adopt those oppressors. Speaking the other day the hon. member for Jacques Cartier (Mr. Mallette) said, as reported at page 114 of Hansard:

The question of repealing the padlock law should be left to the people of Quebec; this government should not exercise its power of disallowance. If a demand comes from a strong section of the people of Quebec then the matter might be considered. However, one of these days the people of Quebec will have an opportunity to say at the polls whether or not they are satisfied with the government that passed that law, and it will be time enough to deal with the matter then.

I find in talking with a number of hon. members that the same thoughts are expressed by them. I wonder whether these members will tell their leader so, tell him that the will of the people in any province should be supreme. If a law exists for the oppression of the people, that law should stand back and the will of the people take the place of the law.

I believe with several other hon. members that conditions in Canada have got to be changed, conditions all over the world have got to be changed, and if we do not do it peacefully they will have to be changed otherwise. A little over two years ago the people of Alberta decided that a change was necessary and elected a government to make that change, and I believe the change is pretty well in line with the proposals made by the Prime Minister, speaking particularly at Saskatoon on September 21, 1935, when he asked for a sweeping Liberal victory so that they could fight the battle in the new parliament against the money powers. The government of Alberta began and is still continuing that fight against the money power, but we find that this government, under the leadership of the present Prime Minister, has become part of our opposition. While things are not travelling very quickly, there is a fight ahead. The people have been oppressed in the past; they are not going to sit down and take that forever. When people are allowed to starve while there is plenty to eat, plenty to wear and plenty of material with which to build better houses, I think this government should make a start, together with the government of Alberta, and do something to help those who are faced with such serious difficulties.

I have a little verse which I am going to commend to the consideration of hon. gentlemen opposite:

It's All Up To You

You are the ones who have to decide
Whether you'll do it—or lay it aside.
You are the ones to make up your minds
Whether you'll lead or will linger behind,
Whether you'll try for the goal that's afar,
Or be contented to stay as you are.
Take it or leave it, there's something to do
Just think it over, it's all up to YOU!

The house divided on the amendment (Mr. Bennett) which was negatived on the following division:

YEAS

Messrs:

Anderson	Landeryou
Baker	Lennard
Barber	Lockhart
Bennett	McGregor
Betts	MacInnis
Blackmore	MacNeil
Cahan	MacNicol
Clarke (Rosedale)	Mitchell
Coldwell	Needham
Douglas	Pelletier
Elliott (Kindersley)	Perley
Esling	Poole
Fair	Quelch
Graydon	Ross (St. Paul's)
Green	Spence
Hansell	Stewart
Heaps	Stirling
Hyndman	Taylor (Nanaimo)
Jaques	Thompson
Johnston (Bow River)	White
Kuhl	Woodsworth—42.

NAYS

Messrs:

Ahearn	Gauthier
Barry	Girouard
Beaubien	Gladstone
Bertrand (Prescott)	Glen
Bertrand (Laurier)	Golding
Blair	Gosselin
Blais	Goulet
Blanchette	Grant
Bonnier	Hamilton
Bothwell	Hanson
Bouchard	Hartigan
Boulanger	Howden
Bradette	Howe
Brasset	Hushion
Brunelle	Ilsley
Cameron	Isnor
Chevrier	Johnston (Lake Centre)
Cochrane	King
Coté	Kinley
Crerar	Kirk
Crète	Lacombe
Davidson	Lacroix (Quebec-Montmorency)
Deachman	Lalonde
Denis	Lapointe (Matapedia-Matane)
Deslauriers	Lapointe (Quebec East)
Donnelly	Leader
Duffus	Leclerc
Dunning	Little
Dussault	McCallum
Emmerson	McCann
Evans	McCuaig
Factor	McCulloch
Fafard	Macdonald (Brantford City)
Farquhar	McDonald (Souris)
Ferguson	McGeer
Ferland	McIntosh
Ferron	McIvor
Finn	McKenzie (Lambton-Kent)
Fiset (Sir Eugène)	MacKenzie (Neepawa)
Fleming	Mackenzie (Vancouver Centre)
Fournier (Hull)	McKinnon (Kenora-Rainy River)
Francœur	McLarty
Furniss	MacLean (Cape Breton North-Victoria)
Gardiner	McLean (Melfort)
Gariépy	MacLean (Prince)
	MacLennan
	MacMillan
	McPhee
	MacRae
	Mallette
	Maybank
	Michaud
	Motherwell
	Mulock
	Neill
	O'Neill
	Pinard
	Plaxton
	Pottier
	Pouliot
	Power
	Purdy
	Reid
	Rennie
	Robichaud
	Rogers
	Ross (Moose Jaw)
	Rowe (Athabaska)
	Sinclair
	Slaght
	Sylvestre
	Taylor (Norfolk)
	Thauvette
	Thorson
	Tomlinson
	Tremblay
	Tucker
	Turgeon
	Turner
	Veniot
	Vien
	Ward
	Warren
	Weir
	Winkler
	Wood
	Young—132.

PAIRS

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

Messrs.	
Sanderson	Senn
Patterson	Brooks
Rickard	Tustin
Jacobs	Harris
Power	Lawson
Euler	Edwards
Gray	Casselman
Fontaine	Wermenlinger
Martin	Brown
Cardin	Beaubier
McNiven	Marsh
Elliott (Middlesex)	Church
Mutch	Massey
Raymond	Walsh

Mr. MARTIN: I was paired with the hon. member for Hamilton East (Mr. Brown). Had I voted I would have voted against the amendment.

Mr. SENN: I was paired with the hon. member for Perth (Mr. Sanderson). Had I voted I would have voted for the amendment.

Mr. McNIVEN (Regina): I was paired with the hon. member for Hamilton West (Mr. Marsh). Had I voted I would have voted against the amendment.

Mr. EDWARDS: I was paired with the hon. member for Waterloo North (Mr. Euler). Had I voted I would have voted for the amendment.

Mr. BROOKS: I was paired with the hon. member for Victoria-Carleton (Mr. Patterson). Had I voted I would have voted for the amendment.

Main motion (Mr. Francœur) agreed to.

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

That the address be engrossed and transmitted to His Excellency the Governor General by such members of the house as are of the honourable the privy council.

Motion agreed to.

SUPPLY

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

That this house will, on Monday next, resolve itself into a committee to consider of a supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS

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

That this house will, on Monday next, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

MAIN ESTIMATES 1938-39

Hon. CHARLES A. DUNNING (Minister of Finance) moved:

That the message of His Excellency the Governor General, together with the estimates presented on February 3, 1938, be referred to the committee of supply.

Motion agreed to.

THE DEPUTY SPEAKER

AMENDMENT OF STANDING ORDER 56 TO PROVIDE FOR APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES

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

That standing order 56 be amended by adding the following as section (5):

(5) At the commencement of every session, or from time to time as necessity may arise, the house may appoint a deputy chairman of committees who shall, whenever the chairman of committees is absent, be entitled to exercise all the powers vested in the chairman of committees including his powers as deputy speaker during Mr. Speaker's unavoidable absence.

He said: Mr. Speaker, standing order No. 56 has to do with the office and duties of the Deputy Speaker. The Speaker of the House of Commons Act provides that at the beginning of each parliament the house shall appoint, first, a speaker, and then a chairman of committees. The act also contains provision for the appointment of a deputy chairman of committees, but that right has not thus far been availed of, and there is at present no rule of the house relating to a deputy chairman of committees.

The circumstance which has brought the matter to the attention of the government at this time is that the Deputy Speaker and chairman of committees, Mr. Sanderson, is likely to be absent from the house until towards the end of March, he having been chosen by the Empire Parliamentary Association as one of the delegates to represent Canada at the 150th anniversary of the founding of Australia. It has been pointed out that if it should so happen that His Honour the Speaker were absent at the same time as the Deputy Speaker, the house might, pending some action formally agreed upon, find it impossible to meet until we succeeded in having either His Honour the Speaker or the Deputy Speaker return to his place.

To avoid a possibility of that kind, and in conformance with the practice followed at Westminster, I have introduced the resolution now before the house. If it is adopted it will make possible the appointment of a deputy to the chairman of committees, and I shall then suggest, for this position an hon. member whose name will, I believe, appeal to all hon. members.

I may say that this resolution does not contemplate the appointment of a deputy chairman for the entire term of parliament, but simply for the session and from time to time as occasion may arise. There are similar orders, not at Westminster only but in the parliaments of the other self-governing dominions.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it seems to me that only one question arises in this matter: is it competent under the statute as it now stands to confer the powers of the Speaker upon a deputy chairman of committees? I am bound to say that I find it difficult to give an affirmative answer to that question. The Prime Minister (Mr. Mackenzie King) has pointed out that the Speaker of the House of Commons Act provides for the election of a speaker and that under our standing rule we have a chairman of committees who has exercised the powers of the Speaker when the Speaker has been absent; but I have some doubt that we can name a deputy of the chairman of committees and confer upon him the powers of the Speaker.

I assume the Minister of Justice (Mr. Lapointe) has given this matter his consideration and has arrived at a satisfactory conclusion, otherwise the resolution would not have been introduced. It seems to me the safe

course to pursue would be to have the chairman of committees, when parliament meets, tender his resignation for the session, and then elect a chairman of committees. That would obviate any possible difficulty that might arise with respect to conferring the powers of the Speaker upon a deputy chairman of committees. This is the only observation I have to make, and I shall be glad to hear whether the Minister of Justice has satisfied himself on this point.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I may say to my right hon. friend that I really believe this is a regular method of procedure during the absence of the Deputy Speaker. The question has been considered by the department and we could find no other way of dealing with it.

Mr. BENNETT: Mr. Speaker, with your consent I shall put again to the Minister of Justice the method which I conceive to be the safe way of dealing with this. I do not believe he got my observation, because he was reading the statute at the time.

I say we should ask the chairman of committees to resign his office for the session, or declare the office vacant by reason of his absence; then by motion of this house we could elect one of our members as chairman of committees. It will be remembered that we had the same difficulty in connection with the oaths act and that we had to go to the imperial parliament for the necessary legislation. Our constitutional statute certainly does not provide for the appointment of a deputy chairman of committees and his being clothed with the powers of the Speaker. With respect to committees, it is a simple matter; with respect to the Chair, it is difficult and complicated. I mention this only because I am unable to find any constitutional authority to deal with it. I think the safe course would be as I have indicated. It is certainly not contemplated that the chairman of committees shall be absent; it is contemplated that he will be here, and when he is within the country I personally would think that the effect of this would be to vacate the office for the session.

I thank the Minister of Justice for his courtesy in permitting me to make this statement after he had made his.

Mr. LAPOINTE (Quebec East): The suggestion of my right hon. friend would meet the case except that it would mean the reappointment of the Deputy Speaker when he returns home.

Mr. BENNETT: Quite.

Mr. LAPOINTE (Quebec East): I can only repeat that this matter has been considered by the Clerk of the House and the law officers of the department and the decision was that this would provide a satisfactory manner of dealing with it.

Motion agreed to.

APPOINTMENT OF MR. J. FREDERICK JOHNSTON AS DEPUTY CHAIRMAN OF COMMITTEES

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

That Mr. J. Frederick Johnston, the member for the electoral district of Lake Centre, be appointed deputy chairman of committees of the whole house.

Motion agreed to.

CANADA SHIPPING ACT, 1934

SICK MARINERS AND MARINE HOSPITALS—LEVY, COLLECTION AND REMISSION OF SHIP DUES

Hon. C. G. POWER (Minister of Pensions and National Health) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Canada Shipping Act, 1934 (part V, sick mariners and marine hospitals), in respect to the levy and collection, and in certain cases the remission, of ship dues.

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.

TRANS-CANADA AIR LINES

AUTHORITY FOR EXTENSION BEYOND THE CONFINES OF CANADA

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Trans-Canada Air Lines Act, 1937, to empower the governor in council to authorize the minister to enter into a contract for the extension of the Trans-Canada Lines of aircraft beyond the confines of Canada.

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.

TRANSPORT COMMISSION

AUTHORITY TO CONTROL TRANSPORT OF PASSENGERS AND GOODS BY RAILWAYS, SHIPS AND AIRCRAFT

Hon. C. D. HOWE (Minister of Transport) 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 conferring authority upon a transport commission (the board of railway commissioners to be known as such) to license, regulate and control the transport of passengers and goods by railways, ships and aircraft, and to fix licence fees and transportation tolls and charges and regulate and control other matters incidental thereto.

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.

INSPECTION AND SALE

PROPOSED REGULATIONS RESPECTING BINDER TWINE, SALT AND OTHER COMMODITIES

Hon. J. G. GARDINER (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 introduce a measure to regulate the inspection and sale of binder twine and salt, to establish weight of bushel for certain commodities commonly sold by the bushel and to authorize the appointment of inspectors and analysts.

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.

CANADA SHIPPING ACT, 1934

CONTROL OF SHIPMENT OF MUNITIONS BY SHIPS REGISTERED IN CANADA

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 9, to amend the Canada Shipping Act, 1934.

He said: This bill was prepared for last session, but as that session was shortened on account of the coronation and the imperial conference proceedings it became impracticable to introduce it then.

It will be recalled that during last session parliament amended section 290 of the Customs Act in order, among other things, to modernize and make more effective the long standing power to control the export from Canada of arms and munitions of war, including articles capable of being converted thereinto or made useful in the production thereof. That amendment was the result of careful inquiries conducted by the government into the proceedings of the committee of the Geneva disarmament conference which had studied the international traffic in arms and munitions. The actual practice of other countries in the same field was also considered. Last year's legislation, so far as the control of exports is concerned, placed Canada in line with many other countries throughout the world, including Great Britain and the United States and western European countries.

In pursuance of that legislation the government, also in line with the practice of the countries mentioned, has established a licensing system covering a specified list of arms, ammunition and implements of war. This list is in general conformity with a list which was compiled by the committee of the disarmament conference and with similar lists adopted by other countries. The result is that none of the arms or other articles specified in the list can be exported from Canada without a licence issued by the Department of National Revenue. The applicant for such a licence is required to give full information regarding the proposed export, and upon his furnishing this information the licence is issued, except in cases where a duly authorized restriction has been placed upon exports to the proposed destination. The result of such licensing systems established by various countries is that information becomes readily available as to the extent and character of the trade in arms.

In further pursuance of last year's amendment of the Customs Act, an order in council was passed at the end of July, 1937, specifically prohibiting the export to Spain of this list of arms, munitions and implements of war; so that no licences can be granted for such exports to Spanish territory. As is well known, twenty-seven European countries were engaged in an effort to carry out a non-intervention agreement respecting the Spanish conflict. This agreement, whatever may be said as to evasions of it, contemplated that the countries concerned should refrain from supplying arms and implements of war to either side of that conflict. It is understood that the broad aim of the agreement is to prevent other countries from becoming embroiled and thus to prevent the conflict from spreading, while it was also hoped to shorten the conflict. Canada is not a party to the non-intervention agreement; but it is no part of Canadian policy to intervene in the Spanish conflict, and it was undersirable to leave Canada in a position of seeming to sanction activities which might to some extent defeat or run counter to the purposes of the agreement and to the general policy of neutrality. Accordingly, the above mentioned order in council of July last was passed. It will be recalled that earlier in the year the United States government had also prohibited the

export of a similar list of arms and implements of war to Spain or Spanish territory. The United States also is not a party to the non-intervention agreement.

The expediency of the present bill also arises from the general situation as explained above. More immediately its preparation was suggested by various incidents affecting shipping which have occurred from time to time since the beginning of the Spanish conflict.

When the bill is carefully examined, however, in relation to our existing legislation and to the actual state of Canadian shipping, it will be found that its practical effect has only a narrow scope. The bill gives power to exercise a certain control over the activities of Canadian ships—that is to say, ships on Canadian registry—which might become involved in some incident of an international conflict. In this connection two situations have to be considered. The first is where a ship carries arms or munitions of war shipped from a Canadian port and destined for countries or regions which are in a state of war or conflict. Practically speaking, that situation can already be completely controlled under section 290 of the Customs Act as amended last session; because, whenever a proper case arises, shipments of such goods from Canadian ports, whether by ships on Canadian registry or on any other registry, can be prevented under the power to prohibit exports from Canada. The second situation is where a Canadian ship trading abroad might, at some foreign port, accept for carriage a cargo of such warlike articles for carriage to some foreign country or region other than those engaged in war or conflict. That is a situation which it is possible for Canada to control, since Canada possesses jurisdiction over the activities of her own merchant ships wherever they may be. It is that situation which the bill, therefore, is primarily intended to cover, although incidentally, to be consistent, it includes a like power over Canadian ships trading from Canadian ports. It may further be noted that in actual fact Canada has no great merchant marine engaged in trade between foreign ports and other foreign ports.

But while, as noted, the bill may have a narrow practical effect, it is considered useful to have this precautionary power on the statute books in case necessity arises and in order to be able, if desirable, to ensure that Canada may not run counter to some international policy adopted by other countries with which Canada may agree.

The broad object might be regarded as twofold: To be able in appropriate cases to avoid what might be taken as a Canadian public policy of intervention in some conflict, and to be able to prevent Canadian registered ships, for their own sake, from getting into difficult situations.

It may be noted that this proposal is in line with measures taken by other countries. In December, 1936, the United Kingdom parliament adopted similar legislation known as the Merchant Shipping (Carriage of munitions to Spain) Act, 1936. The scheme of the present bill gives a general power of control in such situations rather than a power confined to one particular situation. Under the United States neutrality legislation a similar kind of control over United States shipping is provided.

The bill provides for a new section—No. 703A—to be inserted in our basic shipping legislation, that is, the Canada Shipping Act, 1934. Under subsections 1, 2 and 3 the governor in council may by regulation designate the territory in a state of war or armed conflict to which the section is to apply, and the arms, ammunition or other materials which are to be affected, and thereupon it will be unlawful for a Canadian ship to carry such articles from a foreign port, or from a Canadian port either to the area of conflict. Subsections 4, 5, 6 and 7, together with other penalty sections of the basic Canada Shipping Act, provide for such matters as the definition of the indictable offence, the jurisdiction of the exchequer court and certain other courts, the powers of certain officers, and generally speaking the means for enforcing the purposes of the proposed new section.

The newspapers have perhaps given some erroneous impressions as to the scope and purpose of the bill. Some reports seem to give the impression that the bill means that the government intend to embark upon some new policy in connection with the international situation. As noted above, however, the bill was prepared last session and did not get introduced for lack of time. It is, in a sense, supplementary to the purpose of the amendment to section 290 of the Customs Act passed last session, and its preparation was suggested by certain shipping incidents arising from the Spanish conflict. As also noted above, the practical effect and scope of the bill are probably very narrow but it nevertheless seems a useful precaution, and it puts Canada in line with other countries.

One report indicated that, in defining the articles to be affected, the bill considerably extended the definition of such articles which was included in the amendment to section 290 of the Customs Act last year. This is not so, as can easily be seen by comparing subsection 3 of section 1 of the present bill with

paragraph (b) of section 290 of the Customs Act as amended. The definitions are the same. Section 290 of the Customs Act provides that the governor in council may—

(b) prohibit, restrict or control the exportation, generally or to any destination, directly or indirectly, or the carrying coastwise or by inland navigation, of arms, military, naval or air stores, or any articles deemed capable of being converted thereinto or made useful in the production thereof, or provisions or any sort of victual which may be used as food by man or beast.

Thus it will be seen that the definition of the articles affected by the present bill is precisely the same as the definition employed last year in amending section 290 of the Customs Act to describe the articles whose export from Canada might be controlled.

It has to be borne in mind always that the present bill is only a measure to provide powers. The bill itself prevents nothing. Like section 290 of the Customs Act it simply provides a precautionary power to take certain action in the future if the interests of Canada should appear to warrant such action. The insertion of the words in question cannot be taken to mean that the government have in mind any situation which would warrant making use of them in present circumstances.

Right Hon. R. B. BENNETT (Leader of the Opposition): Inasmuch as our rules provide that on the second reading of a bill the principle of it only shall be discussed, and the details contained in the sections should not be considered, I content myself with saying that the principle is the control, so far as our jurisdiction may enable us to exercise it, of the shipment of munitions of war in Canadian vessels. That is as far as it goes, and I am afraid that a great many words are used in the section to accomplish very little. As the minister himself knows, whatever benefits may accrue lie within a very narrow base. There are some details of the measure which require amplification and explanation, but everyone is agreed, I believe, that we should have the power, and that will expedite the passage of the bill through this chamber, because no one will deny that parliament should authorize somebody to have the necessary control of a matter of this kind. If the Customs Act as amended last year is not broad enough to deal with it, we should of course proceed with this amendment of the shipping act; but I question very seriously, for reasons that are obvious, the extent to which the powers can be exercised.

[Mr. Howe.]

The real crux of the matter lies in the fact that a single section might have covered all that is contemplated, because the governor in council is the motive power behind any action that may be taken. Within its jurisdiction and within the rules and regulations and orders in council passed by it must be found any value or benefit that may attach to this measure. The explanations in the subsections are only an amplification of the power that is to be exercised after the governor in council has made such provisions for the operation of the act as are regarded by the government of the day as being necessary.

I have some questions to ask the minister in respect to the question involved. He indicated a moment ago that there had been no matters arising in this country with respect to the Spanish conflict. I think he will find on investigation that from Paris were sent cables, to which a negative answer was given by the government here, as to the shipment of certain articles of trade and commerce from Canada to Spain. My memory does not serve me at the moment as to which one of the belligerents they would go to, but certainly a negative answer was given as to permission for the handling of certain traffic which was offered, involving some millions of dollars, and the commodities in question were not shipped from this country. I recall that vigorous complaints were made, that this should have been prevented. Perhaps some details will be given when the matter is in committee.

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

On section 1—Prohibition of shipment of articles of war to countries in a state of war.

Mr. BENNETT: Can it be said that that is quite what this section says? The ship now is out of Canada and out of Canadian waters; she is in the Mediterranean; how can we reach that ship there and in what manner would we enforce our fiat with respect to the matter, assuming that the governor in council has declared that some section or area in the Mediterranean is an area to which the act applies?

Mr. HOWE: A Canadian ship is always under the jurisdiction of the laws of Canada. If a ship breaks the law by carrying war materials from a Mediterranean port to a country at war it will be subject to the penalties provided by the act.

Mr. BENNETT: The minister has not followed me. The ship is laden with munitions in France and sails for the Mediterranean;

she arrives in the Mediterranean and begins to discharge her cargo of munitions. She may never come back to a Canadian port.

Mr. HOWE: Well, our officers are Canadian seamen. We could at least penalize the officers. That is, we could strike them off the register. Some time or another a Canadian ship surely must come back to Canadian shores.

Mr. BENNETT: She need not.

Mr. HOWE: But in any case the seamen are subject to the law. It is the same, I suppose, as with any criminal; he may evade the policing authority; he may never be called to answer for his crimes. So it would be in the case of a Canadian ship that never comes back to Canada. Nevertheless I believe her officers and crew would find it necessary at some time to make use of their Canadian articles.

Mr. WOODSWORTH: The minister has admitted that from a practical standpoint the scope of this bill is not very great. Could the minister give us some information as to what ships of Canadian registry are now engaged in the transatlantic or transpacific trade?

Mr. HOWE: We have two ships on the west coast from Vancouver to the Philippines and China and Japan, and we have a fleet between Canada and the West Indies on the east coast. That is all that occurs to me at the moment.

Mr. BENNETT: Are they on Canadian registry?

Mr. HOWE: Yes, the two Canadian Pacific ships are. The two running to Australia are on Australian registry.

Mr. BENNETT: And those on the Atlantic are on British registry?

Mr. HOWE: Yes.

Mr. GREEN: Could the minister tell us how this could be used in respect to the fighting in China? For instance, could the Empress boats out of Vancouver be prevented from carrying munitions from the Philippines to Hongkong?

Mr. HOWE: The two ships registered in Canada could be prevented from carrying munitions or supplies, anything that the governor in council designated as prohibited material.

Mr. GREEN: Could they also be prevented from carrying from, say Manila to Hongkong?

Mr. HOWE: Yes, that is really the purpose of the bill. There are other ways of preventing those ships from carrying munitions from Canada to China; they could be prevented under the Customs Act. But this amendment would give us power to prohibit those ships from carrying from Manila to China.

Mr. GREEN: So that when this amendment goes through the government will have power to prevent shipment of munitions from Vancouver to China?

Mr. HOWE: Exactly. We have that power now.

Mr. BENNETT: Not under this section but under the Customs Act.

Mr. HOWE: Yes, under the Customs Act.

Mr. COLDWELL: Do I understand that the two ships referred to on the Pacific are the Canadian Pacific Empress boats?

Mr. HOWE: They are the Empress of Russia and the Empress of Asia.

Mr. HEAPS: Have we the power to prohibit the shipment of arms from Canadian ports to any country that we wish?

Mr. HOWE: Any country where a conflict is taking place and which the governor in council may designate as a prohibited area.

Mr. GREEN: Then there is no question that under the present act it would be possible for the government to prevent shipment of arms and munitions to China?

Mr. HOWE: From Canada?

Mr. GREEN: Yes, or prevent them from being picked up at Manila and taken on to Hongkong?

Mr. HOWE: Under this bill we can prevent them from being picked up at Manila and taken on, yes. Under the Customs Act we can prevent them from being shipped from Canada.

Mr. HEAPS: On any ships?

Mr. HOWE: On any ships, yes.

Mr. BENNETT: I think the minister is in error in saying that we can prevent them from being shipped on a ship at Manila. Our arm does not extend to the Philippine port of Manila. Obviously if they were laden on the ship by workmen at Manila we could not stop them. We would have to name that as a prohibited territory to begin with and then we could not touch the loading; we could touch only the ship after she got into our jurisdiction. The law of the community or port would govern with respect to any proceedings taken against the ship. If the ship were libelled there she would have to be libelled in accordance with the law of that community; she could not be libelled under the Canadian law. Our arm does not extend to touch any-

thing in that port once she is in the port or within the three mile limit. What we could do is punish someone, because the ship is of Canadian register, but we cannot interfere with the loading or unloading in that port, that not being a port in which a conflict is being waged.

Mr. SLAGHT: Surely that is as far as we can go.

Mr. HOWE: We are doing what we can, what is within our powers.

Mr. COLDWELL: This bill is of limited scope. It is in a sense discriminatory against just two ships on the Pacific, for example. Does the government contemplate using the Customs Act to cover other ships not registered in Canada and place them on the same footing in regard to the export of munitions?

Mr. HOWE: We are doing that almost every day. The section passed last year is being applied to Spain at the present time.

Mr. HEAPS: Do I understand from what the minister has just said that quite a large number of shipments have been prevented from leaving this country under the provisions of the act of last year?

Mr. HOWE: Perhaps more indirectly than directly. The fact that the power is there probably stopped a good many shipments.

Mr. HEAPS: I understood the minister to say that shipments had been stopped almost every day under the Customs Act.

Mr. ILSLEY: I think what the minister said is that the provisions of the Customs Act are being applied. Naturally, when shipments to Spain are prohibited under order in council, persons in this country do not try to make such shipments.

Mr. HEAPS: Well, have many shipments been prevented from going to Spain as a result of the legislation passed a year ago?

Mr. ILSLEY: That comes within the jurisdiction of the Department of National Revenue. I cannot answer the question definitely, but I am under the impression that no one has tried to make such shipments. Efforts to ship to Spain have been insignificant or non-existent.

Mr. MARTIN: Would the point raised by the leader of the opposition be met if in 703A (1), instead of the phrase "transshipped on the high seas," a more general or comprehensive phrase were used such as "transshipped anywhere"?

Mr. HOWE: I think the point there is that to be under our control it must be on the high seas. As the leader of the opposition said, if it is in a foreign port it is under the control of the government of the country in which the port is situated.

Mr. MARTIN: Then we get into an argument. The phrase "territorial waters" does not mean the same for all countries. In some instances it is three miles; in others, twelve miles. Moreover, for some countries, the phrases "territorial waters" and marginal seas are not identical.

Mr. BENNETT: That is, I think, covered by the words "territorial waters." The section contemplates three things. One of them I find difficult to follow. First, the article shall not be discharged at any port or place in any territory designated by the governor in council for the purposes of this section. The second is, "or within the territorial waters." The third is, "on the high seas." They are all covered. But what I find it difficult to understand is this: We say that no such article consigned to or destined to any such port shall be taken on board or carried in any such ship. I would think that the language used should have been that so far as the parliament of Canada has jurisdiction it shall be so, as is frequently done. It looks strange for us to say that no one in one of these foreign ports can load goods into or discharge goods from a ship to which our arm cannot reach, except as the people or the ship may come back within this jurisdiction. If I may say so without being offensive, it really is meaningless as it reads, because no purpose can be served by enacting a prohibition against something being done in Manila, for instance, when Manila is within the legislative jurisdiction of another country and we cannot exercise any power with respect to that ship in that port. The fact that she is registered in Canada does not give us jurisdiction over the ship tied up at the dock in a foreign port. She has become subject to the local or domestic law of the port.

The Minister of National Revenue (Mr. Ilsley) sitting beside the Minister of Transport (Mr. Howe) knows of a case that engaged the attention of eminent judges for a long time concerning the jurisdiction of the local authorities and the British authorities, the ship being registered in England, in connection with a particular crime. In this case we certainly cannot prohibit the loading of anything on that ship in a foreign port. We can say that if a ship under Canadian registry does something, we may punish the owner; and the crew itself is subject to certain international obligations—I did not want to get into that phase of the matter—provided for by the convention which we signed some years ago, which was approved by this house. The sailor

on that ship who is a Canadian has, by convention between all the maritime countries, of which we are one, an international status when he goes into a foreign port. That was dealt with in the last parliament.

My difficulty is that this does not mean anything. It is a prohibition in terms, in words, incapable of being made effective by any action of ours. I was suggesting that foreign people might think we were endeavouring to exercise too wide a jurisdiction, and it might be desirable to add such words as "as far as the parliament of Canada has jurisdiction." Then we would not give offence to foreign countries, nor could it be successfully contended that we had endeavoured to exercise a jurisdiction which we did not possess, that is, a jurisdiction over the ship tied up to a dock in a foreign port.

Mr. SLAGHT: Mr. Chairman, it seems to me that there is in connection with our legislation a presumption which goes to remove the fears the right hon. gentleman has expressed, that the section as drawn has a distinct meaning, in that we can enforce it as against British subjects, or Canadian subjects at all events, and that we do not purport to exercise jurisdiction which we do not possess over anyone in a foreign port. We merely prohibit the doing of certain things. If our Canadian citizens infringe upon our laws, then, as the section now stands, when they return I would think they can be punished.

Mr. BENNETT: Since the Statute of Westminster we have a wider power, and that presumption no longer obtains.

Mr. WOODSWORTH: There is another point. I am somewhat at a loss to know why we should be asked to pass this bill. As I understood the Minister of Transport, we have no boats plying between here and Spain, and the Minister of National Revenue says he cannot recall any instance in which advantage was taken of the amendment to the Customs Act. I cannot then see any necessity, as far as Spain is concerned, of putting this supplementary legislation on the statute books. The Minister of Transport seemed to me to convey the impression that this empowering legislation was sought merely because of the situation in Spain. If we are to contemplate this being used on the Pacific, then it seems to me we should have some sort of statement from the government as to the reason for this legislation. The governor in council has been given authority under the Customs Act to prohibit anything being shipped to Spain.

Mr. ILSLEY: To any country.

Mr. WOODSWORTH: No; Spain has been designated.

Mr. ILSLEY: By order in council.

Mr. WOODSWORTH: That is what I thought I said.

Mr. ILSLEY: Not by the legislation.

Mr. WOODSWORTH: No; by order in council Spain has been designated. Why should we not have China or Japan designated as another country?

Mr. ILSLEY: It is a matter of policy.

Mr. WOODSWORTH: Quite so; but I think at this stage, when we are asked to give supplementary powers, we should know what is the policy of the government with respect to this matter. Apparently it is only the ships on the Pacific that will be affected by this legislation; two Canadian Pacific ships are the only ships that will be affected.

Mr. ILSLEY: At the moment, but this may last a long time.

Mr. WOODSWORTH: I know it is general legislation which empowers the governor in council to take action, but we should not be asked to load the statute books with useless legislation. Does the government propose to designate Japan as one of the countries to which arms may not be sent? I think we should know that. Only if the government propose to do that has this legislation any value at this time.

Mr. ILSLEY: May I ask a question? Does the hon. gentleman advocate the naming of both Japan and China as countries to which exportations should be prohibited?

Mr. WOODSWORTH: I do not know that there is any particular reason why I should be called upon to declare what government policy should be.

Mr. ILSLEY: I thought the hon. member would not answer that.

Mr. WOODSWORTH: The minister thought I would not answer that? I will answer it. The minister does not answer. I thought the minister would not answer; and the government does not appear to be answering. As far as I am concerned Japan is an aggressor nation, and I think morally we are bound to refuse to ship materials of war to an aggressor nation. China is in an altogether different position. Apparently the minister and the government do not want to answer that question. I do not think we should be called upon to put this legislation on the statute books unless we know whether it is going to be used.

Mr. MACKENZIE KING: May I say to my hon. friend that, as he is aware, as far as the conflict in Spain is concerned several nations have been represented on a non-intervention committee which has been endeavouring to prevent a spread of the conflict in that country. They have all agreed upon non-intervention as far as Spain is concerned. While not represented on the committee of non-intervention Canada has deemed it desirable to ally herself with these other countries in the general attitude which has been taken towards the conflict in Spain. There is not thus far among the nations a similar non-intervention policy with regard to the Sino-Japanese conflict. There has not even been a declaration of a state of war. Other nations have not joined together in any declaration of concerted non-intervention in that field. When other nations have united on a policy of non-intervention, that, it would seem, would be the time for this country to consider whether or not it should adopt a similar policy.

Mr. WOODSWORTH: May I ask the Prime Minister if we have not signed solemn treaties under which we obligate ourselves to go to the help of a country that is being attacked? And may I ask a second question: Must Canada always wait until other nations take action, especially when Canadian affairs are concerned?

Mr. MACKENZIE KING: I do not think we need to wait, but I think we are wise to take cognizance of our obligations in the light of the world situation as it is to-day.

Mr. WOODSWORTH: Then the obligations do not mean much, do they?

Mr. LAPOINTE (Quebec East): Does my hon. friend advocate Canada taking part in that war?

Mr. WOODSWORTH: I did not advocate that. I advocated refusing to give assistance to an aggressor nation that is mercilessly attacking another nation.

Mr. COLDWELL: If my recollection serves me right—I have not the documents before me—I think on October 5 or 6 last the League of Nations, of which we are a member, called upon its constituent members to give moral support to China in its struggle, and more recently we have had another pronouncement of the same kind. Again, speaking from memory, I believe at the Brussels conference Canada was pointed out as the nation which was supplying a large percentage of the raw material for Japan.

[Mr. Woodsworth.]

If we are a signatory of the League of Nations and we have moral obligations, it seems to me—

Mr. MACKENZIE KING: Where does the hon. member get the information he has just given, with respect to Canada supplying Japan? I believe he mentioned the Brussels conference.

Mr. COLDWELL: I believe the statement was made by the Chinese delegate to the nine-power conference held at Brussels about six or seven weeks ago.

Mr. MACKENZIE KING: I should like to see the statement before attempting to answer it.

Mr. COLDWELL: I should be glad to look it up, and send it to the Prime Minister.

Mr. WOODSWORTH: Would the Prime Minister also be prepared to tell us what happened at Brussels?

Mr. LAPOINTE (Quebec East): Not during the debate on this bill.

Mr. MACKENZIE KING: My hon. friend has the report of the Brussels conference which was laid on the table of the house. That report contains the information given to the world as to what happened there. I shall be glad to answer any questions I am in a position to answer with respect to the conference, but I cannot tell the hon. member about everything that happened there.

Mr. WOODSWORTH: I was referring to the attitude taken by Canada at that conference.

Mr. MACKENZIE KING: At the proper time I shall answer any questions as to Canada's attitude. I doubt if this is the appropriate time.

Mr. COLDWELL: May I follow up what I was saying by asking the minister if this legislation, which applies to only one set of circumstances, and is discriminatory against Canadian shipping, ought not to be paralleled by a declaration of the kind proposed by the hon. member for Winnipeg North Centre, so that the provision could be applied equally to all shipping engaged in the transportation of goods which may be used for war purposes.

Mr. HOWE: This is complementary legislation. As I said in my speech on second reading, Great Britain has legislation, in exactly similar terms, applying to the Spanish conflict. The United States has a measure exactly the same as this, in general terms. While the present measure applies to only a very few ships at this time, it would at least

have the effect of preventing ships from being placed under Canadian register to engage in the type of trade we are trying to prevent.

Mr. GREEN: Is the power under the section wide enough to prevent a shipment of munitions to Japan? I notice that subsection 2 (a) reads:

(a) Designate any territory or territories in which there is a state of war or armed conflict—

And so on. That would not apply to shipments to Japan, because there is not a state of war in that country.

Mr. LAPOINTE (Quebec East): But there is armed conflict.

Mr. GREEN: The belief of the government is that this section is wide enough to enable them to prevent shipments to Japan, under present circumstances?

Mr. HOWE: I can say generally, that if the government passes an order in council stating that there is armed conflict in a certain area, this measure would apply immediately.

Mr. GREEN: And the minister would consider that there is sufficient power under the section to permit designating Japan as a territory to which shipments should not be made?

Mr. HOWE: Yes, undoubtedly.

Mr. MacNICOL: Does the word "munitions" include machinery for the manufacture of munitions?

Mr. HOWE: Yes. Subsection 3 contains these words:

. . . or any articles deemed capable of being converted thereinto or made useful in the production thereof—

This undoubtedly covers machinery.

Mr. MacNICOL: Prohibition of the shipment of munitions would also mean prohibition of the shipment of lathes for the manufacture of shells, equipment for weighing powder and equipment for placing the powder in cartridges?

Mr. HOWE: Yes, I would say so, under the words I have quoted. If the government decided that any article was being used in the production of munitions of war, shipments could be prohibited.

Mr. HEAPS: It seems to me that this measure is more or less a gesture on the part of the government to show what it may do under given circumstances. No doubt it vests in the government great responsibilities. If it so wished the government could, perhaps without the consent of parliament, say that a certain area is in a state of armed conflict and, if it wished, could go to the support of one side and refuse to go to the support of the other. For instance, if the government desired, with respect to the present Sino-Japanese conflict it could either adopt a state of complete neutrality or support one side or the other.

As has been pointed out by the hon. member for Winnipeg North Centre, the government has given no inkling or indication to the committee as to its stand on that very important question. In Canada to-day there is an overwhelming sentiment against the action of Japan in China. I believe if the government, under the power granted by the present measure, would declare that Japan is an aggressor nation, and take the bold step of refusing to supply her with the necessaries of war—always assuming that, as has been said, large quantities are being sent to that country—I believe a great body of public opinion would support the government's action. I know it must face difficulties presented by those people who are engaged in a profitable trade between Canada and Japan. I believe, however, that sentiment in Canada is so overwhelmingly against the attitude of Japan as an aggressor nation, and against the tactics that country has employed against a peaceful people, that the government would do well to take the bold step of prohibiting shipments of goods from Canada to Japan.

Mr. FINN: Would the minister give the name of the ships running to the West Indies? I believe he mentioned two ships in the West Indies trade, and two on the Pacific coast.

Mr. HOWE: I believe the hon. member must have misunderstood me. There are about ten running to the West Indies, including the Canadian National fleet of Canadian register.

Mr. STIRLING: Under subsection 2 (a) would it be possible to designate Portugal as a territory in which there is a state of war or armed conflict, civil or otherwise?

Mr. HOWE: Does the hon. member ask if we could now designate Portugal in that manner?

Mr. STIRLING: Yes.

Mr. HOWE: Is there a state of armed conflict in Portugal?

Mr. STIRLING: No, but it is a territory adjacent to one in which there is armed conflict and from which, for all I know, it might be possible to pass munitions on to either of the parties which are fighting.

Mr. HOWE: I believe if it could be established that a regular route was being made across Portugal, and that munitions carried in Canadian ships were transshipped through Portugal to Spain, there would be reason to forbid the use of those territorial waters.

Mr. MacINNIS: There is not a state of armed conflict in Italy to-day, but it has been proved and is a well known fact that with the consent of the Italian government Italian armed forces are taking part in the struggle in Spain.

Mr. MARTIN: The same is true of Russia.

Mr. MacINNIS: I am not concerned with that at the present time; but if the hon. member wishes to raise the point he may do so, and it can be settled later. Could this legislation or the legislation passed during last session be applied to Italy?

Mr. ILSLEY: I have not the amendment made during the last session before me, and before making an answer I should like to have it. Looking at the legislation now in hand I should think that if there is not a state of armed conflict or war existing in Italy the present measure would not apply.

Mr. STIRLING: Then, what about Portugal?

Mr. MacINNIS: And there is no state of armed conflict in Japan. Under those circumstances it could not apply to Japan.

Mr. ILSLEY: I would not think that that would be the case. Japan is sending armed troops into another country and I would think that this legislation would properly apply to her.

Mr. MacINNIS: Italy is doing the same thing.

Mr. ILSLEY: If Italy is doing the same thing, that would be a question of fact to be determined. The hon. member for Yale made reference to Portugal. Reference has been made to the Customs Act. If the Department of National Revenue in the administration of that act has any reason to believe that there is an indirect routing of goods to Spain through Portugal, there are ample powers in the act to refuse a permit for the shipment of such goods.

Mr. BENNETT: That would be under the Customs Act, not this act.

Mr. ILSLEY: Not because Portugal is at war, but because Spain is at war and a shipment to Portugal might be considered as in effect a shipment to Spain.

Mr. WOODSWORTH: Mr. Chairman, I realize that during a discussion on a bill of this kind is not the proper time to press the government for a declaration of foreign policy. At the same time I feel it is not proper to place legislation of this kind upon the statute books without the fullest discussion. Undoubtedly the government ought, in an emergency, to have the power of effectively controlling the actions of its nationals in shipping goods whether under the Customs Act or under the proposed legislation. But at the present time, there is no emergency although of course there might be in the indefinite future. Perhaps we ought to give emergency powers of this kind looking to some indefinite future; but consider the existing situation. A war has been going on in China for some months; we are met here at the beginning of the session and apparently the government is not proposing to do anything with regard to that particular situation. I take it that that was the meaning of the declaration by the Prime Minister.

In spite of that, the government is now asking us to give it powers which will enable it, by order in council, in effect to determine the foreign policy of Canada. I do not think that is democratic. I have no objection to this legislation in itself, as it may be used in an emergency, but I say that when an international situation exists such as does exist to-day the government ought not first to refuse to give any information as to its foreign policy and then in this indirect manner ask parliament for powers which would permit it to commit the country in a roundabout way to a line of action which might involve war.

I am not accusing the government of wanting to go to war; I am accusing them of failing to live up to the solemn obligations which Canada has made; I am accusing them of taking to themselves by means of legislation of this kind the power to control our foreign policy without consulting parliament. This is not just the occasion when I would have chosen to bring this matter before parliament, but I feel that the government should take us a little more into their confidence and explain just what their policy is likely to be under the provisions of this legislation.

Mr. LAPOINTE (Quebec East): What are the solemn obligations to which my hon. friend refers?

Mr. WOODSWORTH: The Kellogg pact and our membership in the League of Nations, both very solemn obligations.

Mr. LAPOINTE (Quebec East): Will my hon. friend name one nation in the world

that is applying sanctions at this time? Does he suggest that Canada alone should apply sanctions, even though it might lead to war?

Mr. WOODSWORTH: An hon. member beside me suggests that according to the newspapers New Zealand, quite a small nation, has taken this action on her own.

I suggest that Canada has a big responsibility in this regard, as much of the war material which is being shipped to Japan comes from Canada. I do not think I can accept a code of morals that affirms that we shall not do anything until somebody else does it. I submit that we are guilty—I use the word advisedly—of assisting an aggressor nation to kill men, women and children in China. I do not see how Canada can escape the moral responsibility for that kind of thing.

The Department of National Defence is presenting estimates with which to build fortifications on the Pacific coast.

Mr. LAPOINTE (Quebec East): And the hon. member is opposed to that.

Mr. WOODSWORTH: I am not discussing that question just at the moment. What are these fortifications to be placed there for? In order to defend us from possible attack by Japan. If airplanes or warships come to the coast of British Columbia and attack this country with bombs and shells we know that those bombs and shells will have been made from materials supplied by this country. I urge that that is a crazy situation. Even though we have no sense of responsibility for the women and children of China, for our own sakes we should prevent one more ounce of war material going to Japan—and this whether or not any other nation takes similar action. I think I have the right to urge that the government give us some assurance that such action will be taken. The government should not refuse to take any action and then at the beginning of the session ask us to pass a bill, in itself good enough, which gives them power to deal with important questions of foreign policy.

Mr. MACKENZIE KING: Mr. Chairman, may I say to my hon. friend that the government is just as concerned as he is about the well-being and welfare of the women and children in the orient, in Spain or in any other part of the world. But what this government is particularly concerned about is the well-being and welfare of the Canadian people. If my hon. friend wishes to know in a word what the policy of this country is with respect to matters affecting war, let me tell him that it is to seek in every possible way to avoid taking any step which may be responsible for this country either directly or indirectly being drawn into war or bringing itself or other countries into a world conflict. What it does or refrains from doing to-day with respect to world affairs is with a view to discharging its obligations in the light of the existing world situation and in the light of what other nations are doing or refraining from doing. To the best of its judgment the government is following a course which will serve to keep Canada strictly neutral and enable her, when opportunity presents itself, to co-operate with other nations in helping to bring to a conclusion, more speedily than might otherwise be possible, any existing international conflict.

Mr. WOODSWORTH: Even if the Prime Minister takes the view that we should exercise no discrimination; that we should regard China and Japan as being on an equality, will he tell me why the government should not take the same action in the case of the Sino-Japanese affair as they took in the case of Spain?

Mr. MACKENZIE KING: I can answer my hon. friend by saying that much the same reasons that have actuated the United States, that have actuated Great Britain, that have actuated France and that have actuated other countries of the world in their attitude to the Sino-Japanese conflict have actuated Canada in its attitude. We are aware of the tremendous possibilities of danger involved in taking certain courses of action, and we are taking every possible care to avoid them.

Mr. FINN: The hon. leader of the Co-operative Commonwealth Federation party spoke of ships, but there are ships other than those owned by the Canadian government going to the West Indies. There belong to the Canadian Pacific Railway two ships of Canadian registry and under private ownership. I well remember my hon. friend stating in the house that he saw no sound reason why Japanese, Chinese and Canadians should not go to school together and get married, or why they should not be allowed to grow up together in this country. I ask him now, if his policy had been carried out, what would be the influence of the Japanese upon a Canadian girl who married a Japanese living on the Pacific coast?

Mr. WOODSWORTH: I do not know what that has to do with the matter. I have never advocated mixed marriages.

Mr. FINN: The hon. member's statement can be found in Hansard, that he saw no sound reason why Japanese, Chinese and Canadians should not all go to the same schools in the province of British Columbia.

Mr. WOODSWORTH: They do now.

Mr. FINN: Then I say that is absolutely the trouble. Why does not my hon. friend urge that the Japanese should be put out of the schools, just as the United States has said that Japanese fishing boats travelling along the Pacific coast of the United States shall no longer be permitted to receive information and to map out the country, with the idea of using force later. To permit it would be against the finer civilization that this continent desires to have.

The right hon. leader of the opposition was on very sound ground this afternoon. Any hon. gentleman who is a member of the legal profession knows that a ship on the high seas is governed by the law of the flag she flies at her stern, and that when she gets into a foreign port she is subject to the statutory laws of that country and can be held and sold, and may never return to the country from which she came.

I am sure there is no one in the house more desirous of protecting the finer humanity, not only of Canada but of the civilized world, than the Prime Minister of Canada to-day, and I believe also the right hon. leader of the opposition; but I would point out, and in no critical spirit, that this amendment to the shipping act passed in 1934 deals only with war materials transshipped on the high seas, and if we want to do a real job we should provide that war materials shall not leave any of our ports. Then they could not arrive at any foreign destination, or be used to kill people, nor could they be transshipped on the high seas. The amendment which it is proposed to insert in the Canada Shipping Act reads:

> No article to which this section applies shall be discharged at any port or place in any territory designated by the governor in council for the purposes of this section or within the territorial waters adjacent to such territory from a ship registered in Canada, and no such article shall be transshipped on the high seas from any such ship into any vessel bound for any such port or place, and no such article consigned to or destined for any such port or place shall be taken on board or carried in any such ship.

I may be wrong, but if we are going to get to the bottom of the world situation to-day, and if Canada is to carry on peacefully as outlined by the Prime Minister a few moments ago—and I believe every hon. gentleman, with that finer sense of humanity which should be in the human heart, will support him in that—we should go to the bottom of the situation by providing a law so ironclad that it will be impossible to ship from Canada war materials, and we would not then be worried about transshipments on the high seas or the ports the vessels were going to, or whether the ship would come back to Canada to be penalized.

Mr. HOWE: I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again.

Mr. FINN: I desire to say to the hon. Minister of Transport that I was hardly off my feet when he made his motion.

Some hon. MEMBERS: It is six o'clock.

Mr. FINN: Then I apologize most humbly to the hon. minister.

Section stands.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 6 p.m.

Monday, February 14, 1938

The house met at three o'clock.

RULES OF THE HOUSE

STATEMENT OF MR. SPEAKER WITH RESPECT TO READING IN DEBATE OF STATEMENTS MADE OUTSIDE OF HOUSE

Mr. SPEAKER: The right hon. the leader of the opposition (Mr. Bennett) has expressed the desire that I should state the rules of procedure on the reading in debate of written statements made outside the house. Points of order should be taken before and not after such statements are read and included in the official reports of debates. I have looked into the matter and I think it may be advisable to explain these rules.

The rules under which statements emanating outside the House of Commons may be read in debate are so restrictive that we may say the practice is not allowed. Unless a member intends to base a motion on extracts from such statements, it is irregular to read them during debate if they refer to, comment on or deny anything said by a member, (Bourinot 336); are intended to influence debate (May 316); reflect upon any vote of the house or use offensive words against either house or against any member thereof (standing order 41); contain unparliamentary expressions, as no language can be heard in quotation if it would be disorderly if spoken (Bourinot 336); allude to debates in the other house of parliament (May 316); utter treasonable or seditious words, or use the king's name irreverently

(standing order 41); cast reflections upon the conduct of judges (May 295; Bourinot 358); refer to matters pending a judicial decision (May 316); reflect upon the conduct of persons in authority (May 316); make personal allusions to members (May 316); refer to other debates during the same session, or to any question not under discussion (May 317-318; Bourinot 336).

Bourinot, page 335, refers to these objections when he says a member may read extracts from documents, books, or other printed publications as part of his speech provided in so doing he does not infringe upon any point of order.

When the hon. member for Qu'Appelle (Mr. Perley) quoted letters in an argument against the Minister of Agriculture (Mr. Gardiner) and when the minister retorted with telegrams, I did not interfere because great latitude has always been given with respect to citations in this house. We follow the same practice as in England where the house itself seems to have settled the procedure in these cases. I take it that the same rule applies to telegrams and letters as to extracts from newspapers.

The practice of reading extracts or written statements in debate to support an argument has been followed in the British house since 1840 when Speaker Peel, with the acquiescence of the house, allowed a member to proceed to read passages from a newspaper. In 1856, when a member was called to order for reading an extract from a newspaper, the Speaker stated that on former occasions when he had attempted to enforce this rule, he had been overruled by the house. A similar statement was made by the chairman in committee on the 9th March, 1857 (May 318). These are the last precedents cited in the 13th edition of May, published in 1924.

The house may be indulgent in these matters but it is a well known principle that a statement made in this house cannot be contradicted by a statement made by a person who is not a member of the house.

STANDING COMMITTEES

PRIVILEGES AND ELECTIONS, MISCELLANEOUS PRIVATE BILLS—CHANGES IN PERSONNEL

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

That the name of Mr. Little be substituted for that of Mr. Slaght on the standing committee on privileges and elections, and that the name of Mr. Slaght be substituted for that of Mr. Little on the standing committee on miscellaneous private bills.

Motion agreed to.

POWELL AND UNWIN CASE

MOTION FOR ADJOURNMENT TO DISCUSS MATTER OF URGENT PUBLIC IMPORTANCE

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I ask leave to move the adjournment of the house, under standing order 31, for the purpose of discussing a definite matter of urgent public importance, namely, the advisability of the Minister of Justice granting the request made of his majesty's attorney general and premier of the province of Alberta for the remission of the sentence recently placed upon Messrs. Powell and Unwin in Edmonton, who are reported to be now incarcerated for an offence alleged to have been committed in the said province, which is administered by the above premier and attorney general.

Mr. SPEAKER: The hon. member was kind enough to give me notice of his motion. I find that leave for introducing such a motion is covered by standing order 31, paragraph 3 of the said standing order being as follows:

(3) He—

The member—

—then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out,—

And so on. I have read the document handed me by the hon. member, but I do not regard it as coming within the purview of this paragraph. I consider that it is not a matter of urgent public importance, and in consequence I rule that he cannot introduce the motion.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, I rise to a point of order, arising out of your ruling. May I point out that paragraph 4 states:

If less than twenty, but not less than five, members rise in their places, the question whether the member has leave to move the adjournment of the house shall be put forthwith, without debate, and determine, if necessary, by a division.

Then, I find this further statement in paragraph 3:

If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places and, if more than twenty members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.

In other words I do not think the Speaker of the House may determine whether or not such a motion is in order. As I interpret the rule, if twenty or more members of the house are anxious that the hon. member introducing the motion be permitted to proceed with the

question which has been brought to the attention of the Speaker, he can be given the right to do so.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I submit the hon. member (Mr. Heaps) is altogether wrong, The matter is entirely in the discretion of the Speaker, and the rule the hon. member has read does not at all substantiate his claim.

Paragraph 2 states that the member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter. This the hon. member has done. Then, paragraph 3 states:

He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order—

That is, if Mr. Speaker thinks it in order—

—and of urgent public importance—

Still referring to the Speaker—

—reads it out.

That is, if he considers it a matter of public importance, Mr. Speaker reads it out, "and asks whether the member has the leave of the house." Then the paragraph states:

If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places and, if more than twenty members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.

That is to say, if Mr. Speaker had thought the matter was in order, or of urgent public importance, he would have read the motion to the house. Then if objection were taken, but twenty members rose in their places, the hon. member would have had authority to discuss the matter. As it is, the Speaker has declared that this is not a matter of urgent public importance. And may I add, as my own view, that not only is it not a matter of urgent public importance that it be discussed, but it is a matter of urgent public importance that it be not discussed.

SHOP CARDS REGISTRATION

PROVISION FOR REGISTRATION OF DISTINCTIVE CARDS OF LABOUR UNIONS AND PREVENTING UNAUTHORIZED USE

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 22, respecting the registration of shop cards by labour unions.

He said: Mr. Speaker, this bill is designed to establish a system for the registration of shop cards by labour unions, and authorizes the keeping of a register of shop cards. It prescribes the conditions upon which registration may be granted, and provides that a labour union may authorize the use of any shop cards registered by it under agreements for the use of the cards. It provides machinery for the cancellation of registrations and for correction of the register.

Motion agreed to and bill read the first time.

THE MINISTER OF JUSTICE

CONGRATULATIONS TO RIGHT HON. MR. LAPOINTE UPON THE THIRTY-FOURTH ANNIVERSARY OF HIS ELECTION TO PARLIAMENT

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, before proceeding with the business of the day I should like on behalf of those with whom I am associated to convey to the right hon. the Minister of Justice (Mr. Lapointe) our heartiest congratulations upon the celebration of the thirty-fourth anniversary of his election to the House of Commons.

Thirty-four years is a long time in the life of any man; looking back, it must seem to the right hon. gentleman a very long time indeed. It is a fact to be remembered by all, and especially by the younger members, that the right hon. gentleman, who came here with little knowledge of the English language, by persistence and perseverance has made himself one of the most complete masters of the English language in this chamber. This should be a source of inspiration to the younger members of the house.

During the period of thirty-four years that has elapsed since he came to this chamber the right hon. gentleman has travelled far. We have not always agreed with him, and looking back I see less reason than ever why we should have—perhaps he would be the first to admit the correctness of that statement. He has made great progress, and, under Providence, has been permitted to play a not unimportant part in the life of our country. It is well that, where possible, continuity should be perserved in the representation of constituencies. The right hon. gentleman has been able to give an example of the affection and regard in which it may be possible for a member to be held by his constituents, and the fact that he has not always represented the same constituency goes to prove the universality of the affection in which he is held in his native province.

We congratulate the right hon. gentleman because he has served with distinction his day and generation, not only his own province but the country as a whole. In the profession to which we both belong, he has added lustre

and distinction to the title of "Minister of Justice." In the Canadian Bar Association, as honorary president, he has rendered valiant service to the cause for which that organization was created. We wish him many years of useful service. All of us in this chamber, whatever the motives that brought us here in the first place, have, after all, the same desire to render service to the country we love so much. Whatever may have been the political predilections of the right hon. gentleman when he entered this chamber for the first time at the age of under thirty, I feel quite sure that to him party ties have lost much of their acrimony, blended smoothly and easily as they have been into that high regard for his country which has characterized his efforts in recent years and I am sure will be apparent in the years to come. We congratulate him upon his years of service and trust that in whatever capacity it may be—whether to the right or the left of you, Mr. Speaker, is a matter wholly unimportant—he may long continue to render service to Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on behalf of hon. members on this side of the house may I express to the right hon. leader of the opposition (Mr. Bennett) our warm appreciation of his thought and courtesy in extending the congratulations he has just extended to the one who in point of years of membership and service is, at the present time, the oldest member of the Canadian House of Commons. I need not say how wholeheartedly we who sit on this side of the house endorse his remarks. It would be impossible for any of us, most of all myself, to begin to say what we owe to the exceptional abilities, wise counsel and helpful guidance of the right hon. member for Quebec East the present Minister of Justice (Mr. Lapointe). He has been at my side—my deskmate in fact—during all of the years I have held the position either of leader of the government or of leader of the opposition. His presence, I need scarcely say, has made my task very much easier and my place infinitely more secure, than it otherwise could possibly have been. I am glad to have this opportunity of repeating in public and in this House of Commons, what I feel I owe to the loyalty, cooperation and constant help I have had from my right hon. friend during my entire public life.

The right hon. leader of the opposition has referred to the remarkable manner in which the right hon. member for Quebec East has mastered the English language and the example he has been to us all in that particular. There is another particular in which he has also been a great example, not only to hon. members of this house but to the citizens generally of our country. He has taught us the wisdom of moderation and of toleration in all that pertains to differences between classes, between races, between provinces and between creeds. I am sure that there is but one wish in this house and that is that the right hon. Minister of Justice may be spared for many years to come as a member of the House of Commons in order that he may continue to give in parliament his exceptional abilities and qualities to the public service of our country.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, had the leader of the Cooperative Commonwealth Federation group been in his seat this afternoon I am sure he would have been only too happy to join in the compliments that have been paid this afternoon to the right hon. Minister of Justice (Mr. Lapointe). In his absence I desire on behalf of our group to concur in the sentiments expressed by the leader of the government (Mr. Mackenzie King) and the leader of the opposition (Mr. Bennett). If there is one thing that we appreciate about the Minister of Justice, it is his courtesy to all members of the house, no matter in what part of it they may sit. In this he sets another fine example which may be added to those referred to by the previous speakers. Even though we may not agree with what he says, he says it in such a way that we cannot but enjoy listening to his remarks. I wish to associate myself most heartily with those who have expressed the desire that the right hon. gentleman may sit in this chamber for many years to come.

Miss AGNES C. MACPHAIL (Grey-Bruce): Mr. Speaker, since I do not belong to any group I cannot let this opportunity pass without saying that I have always felt that the Minister of Justice (Mr. Lapointe) has been the one member of this house who has sustained my faith in human nature. Many times during the sixteen years I have sat in this house my faith has been threatened, but the Minister of Justice has always conducted himself in such a way as to restore my faith in my fellow men and in the members of this House of Commons. I do not think it would be going too far to say to the Minister of Justice, who is to-day celebrating the thirty-fourth anniversary of his first entrance into this chamber, that he is a greatly admired and beloved member of the House of Commons.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, ever since I came into this house the right hon. Minister of Justice (Mr. Lapointe) has impressed me as being a thoroughly good man. I believe he is enjoy-

ing to-day the harvest of a life well spent and I rejoice greatly with him in this day of celebration.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, it is indeed pleasant for one to hear so many nice things said about him during his lifetime. I did not expect to receive this afternoon any flowers, either in the form of roses or of speech. I am deeply grateful to my right hon. friend the leader of the opposition (Mr. Bennett) for his kind words. He is a prince in handling these delicate matters. As he says, very often we have not been in agreement, but I hope I shall always be able to keep his warmest friendship. I thank my right hon. leader (Mr. Mackenzie King) for the kind things he has said about me, and I thank also the other hon. members of the house who have been so kind.

It is not an unmixed blessing to be a sort of dean of the house. I am just as proud of being a member of this parliament as I was of being a member of the eighth parliament, the first session of which was in 1900. I was pleased when I was first elected a member of the House of Commons in 1904. During all my years in parliament I have made it a point to follow attentively the debates of the house. The poor English I speak to-day has been achieved by listening in the house to masters of the English language such as the leaders of the Liberal and Conservative parties. I repeat what I said the other day, that an association of thirty-four years with the members of this House of Commons has convinced me that there is no body of men more patriotic or more fully prepared to serve their country in the best way they can.

I thank my colleagues in the house for the kind words they have said of me. I hope I shall be in this house for a few more years, and I shall try to render the best service possible to my fellow citizens and do my utmost to maintain the faith of the hon. member for Grey-Bruce (Miss Macphail) in human nature.

THE PARLIAMENTARY GUIDE

On the orders of the day:

Mr. A. A. HEAPS (Winnipeg North): I should like to direct an inquiry to the Prime Minister (Mr. Mackenzie King) or some other member of the government in regard to the distribution of the Parliamentary Guide. I noticed this morning that copies of this annual publication had been distributed among the members of the house. It was understood last year that we were to have a statement from some member of the government with respect to the free distribution of the Parliamentary Guide. Personally I have strong objection to its free distribution among members of the house, and I should like to know who it was that gave instructions this year, after what was said to the house last year, to have the Parliamentary Guide distributed free to members of the house.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, if my hon. friend had mentioned in advance that he was bringing up this question, I would have had it looked into. Perhaps he will allow his question to stand until to-morrow when I shall endeavour to let him have a reply.

RADIO INTERFERENCE

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I shold like to ask the Minister of Transport (Mr. Howe) a question. I have received a number of complaints in regard to electrical interference with radio reception. Is the minister prepared to make a statement as to whether regulations will be made, or present regulations enforced, regarding the use of machinery or apparatus likely to cause interference with radio reception, as provided by section 23 of the Canadian Broadcasting Act of 1936?

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, my hon. friend was good enough to give me notice of his question. The section to which he has referred gives ample power to enforce penalties for violations of the act, and the regulations under the Radiotelegraph Act set up the procedure. I think our inspectors are applying both sections wherever there seems to be occasion for doing so. I know that we are issuing orders almost every week in regard to radio interference.

CATTLE SHIPMENTS

PROVISION OF SPACE ON VESSELS FOR SHIPMENT TO ENGLAND

On the orders of the day:

Miss AGNES C. MACPHAIL (Grey-Bruce): Mr. Speaker, I should like to ask the Prime Minister (Mr. Mackenzie King) or some other member of the government, in the absence of the Minister of Agriculture (Mr. Gardiner), if the government is taking steps to provide additional space on boats for the shipment to Great Britain of cattle that were shipped from western Canada to Ontario and are now finished and ready for the British market. There is quite a demand by Ontario farmers for cargo space to ship these finished

cattle to Great Britain, and it is not available. What steps is the government taking to provide it?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If my hon. friend will allow the question to stand until to-morrow I shall seek to give an answer then.

SMALL LOANS

INDUSTRIAL LOAN AND FINANCE CORPORATION

Mr. PAUL MARTIN (Essex East—for Mr. Vien) moved the second reading of Bill No. 7, respecting Industrial Loan and Finance Corporation.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I think I might anticipate the usual discussion on this type of bill by making a short statement. I can see from smiles in certain quarters that it is expected.

It will be remembered that last session we had two private bills of the character of the one now under discussion and the one immediately following on the order paper. They came before the house last year after having been passed by the senate, and were for the purpose of amending the special acts of two small loan companies. The principal amendments last year provided for the substitution of a maximum flat monthly rate of interest and charges on loans made by these companies for separate charges for interest and expenses deducted in advance as permitted by the special acts. In one of the bills last year the maximum monthly rate provided for was two per cent, and in the other two and a quarter per cent.

The first bill was referred to the standing committee on banking and commerce. After some discussion, and after an undertaking had been given by the promoters of the second bill that the rate of interest provided for therein would be reduced to two per cent per month, that bill also was referred to the banking and commerce committee. After prolonged consideration of the bills in the committee, both were reported back to the house with a provision for a maximum rate of two per cent. The bills, however, were not further dealt with by the house.

We have now before us on the order paper private bills amending the special acts of the same two companies. These bills, so far as I can gather, differ in form and substance from those of last year, the most important change being a maximum monthly rate of two and a quarter per cent instead of two per cent as approved by the committee last year. I am unaware personally of anything which has taken place in the interval to make necessary an increase in the maximum monthly rate to be authorized for small loans.

In the banking and commerce committee, and in the house last session, I stated that it was the intention of the government at the present session to propose a special committee of the house to investigate generally the question of small loans and the maximum rates of interest and charges that should be permitted. One reason for suggesting a special committee was the difficulty experienced last year in securing a quorum of the banking and commerce committee and the frequent delays in proceedings caused thereby. The government has given further consideration to the matter, and in view of the number of special committees that are contemplated this session, and the further fact that the banking and commerce committee does not appear to have in prospect a very great volume of work, the government believes it would be better to refer this matter again to the banking and commerce committee. The number of special committees will make it rather difficult during the session for members to give adequate attention to all committees, and if it should be found from time to time that there is great difficulty in getting a quorum of the banking and commerce committee it is always within its competence to suggest to the house a reduction in its quorum. That would be a means of overcoming that difficulty. I intend to propose, therefore, on behalf of the government a motion which should come, I think, after the reference of the two bills now on the order paper. The proper course I suggest would be to refer these two bills to the committee once more, without, of course, the house endorsing them in any greater degree than it always does in referring private bills.

Mr. BENNETT: They have to have second reading first.

Mr. DUNNING: They have to have second reading first, of course, as a matter of form, and then I shall ask the house to adopt this resolution:

> That the standing committee on banking and commerce be instructed to inquire into the practices of individuals, partnerships and companies in making small loans on personal security, and to consider the maximum rate of interest and charges which should be permitted for such loans.

I believe that by referring these two bills and then adopting such a motion as I have just read, the house will set in train a thorough and complete investigation into this whole small loan business, and we shall not be crowded for time as we were last year because of the shortness of the session. I have

some hope that out of the work of such a committee might come something constructive which would appeal to parliament in dealing with this vexed and very difficult question. That is the suggestion I make to the house.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I think that possibly the delays in committee last year were largely due to the fact that quite a large group in that committee felt that rates of interest of two or two and a quarter per cent on these small loans were far too high, and we hoped that the government might bring down some general legislation this year dealing completely with this small loan business. If that is the idea I see no reason why the procedure suggested should not be followed, although I dislike the thought of the house accepting the principle of these two bills, because on the second reading we really adopt the principle. But if the understanding clearly is that they will be considered by the committee with a view to general recommendations looking toward general legislation, then, although I was inclined to oppose these bills to-day, I would be prepared to allow them to go to the committee and look forward to the general legislation dealing with these small loan companies.

Mr. DUNNING: If the house will permit me, I omitted to mention one matter of some importance, and that is that a resume of the proceedings of the committee last session has been printed in order that it might be available in the investigation which we hope will take place at this session. I should also say to the hon. member for Rosetown-Biggar (Mr. Coldwell) that the intention of the government in submitting this resolution is to have the kind of examination upon which it is hoped a general policy may be founded.

Mr. PELLETIER: Will the minister state exactly what status the bill will have when it comes through for second reading?

Mr. DUNNING: The same as any other private bill which is referred to committee. It may come back from that committee amended; it may come back without amendment, or it may not come back at all.

Motion agreed to; bill read the second time and referred to the standing committee on banking and commerce.

CENTRAL FINANCE CORPORATION

Mr. PAUL MARTIN (Essex East—for Mr. Macdonald, Brantford City) moved the second reading of Bill No. 8, respecting Central Finance Corporation and to change its name to Household Finance Corporation of Canada.

Motion agreed to; bill read the second time and referred to the standing committee on banking and commerce.

BANKING AND COMMERCE COMMITTEE TO INVESTIGATE QUESTION OF SMALL LOANS AND MAXIMUM INTEREST RATE AND CHARGES

Hon. CHARLES A. DUNNING (Minister of Finance): Subject to the condition mentioned in the discussion of the bills just dealt with, and with the permission of the house, I now move:

That the standing committee on banking and commerce be instructed to inquire into the practices of individuals, partnerships and companies in making small loans on personal security, and to consider the maximum rate of interest and charges which should be permitted for such loans.

Mr. R. L. BAKER (Eglinton): May I ask the Minister of Finance whether, if it be necessary, the committee should introduce some changes in the criminal code, or is there now adequate provision in the code for purposes of enforcement?

Mr. DUNNING: I cannot answer as to the criminal code. I am quite sure that if, as a result of the investigation, anything of that nature is discovered to be practicable from the standpoint of the committee it can be suggested and may be dealt with when the report of the committee comes back to the house.

Mr. BAKER: Suggested by the committee?

Mr. DUNNING: Oh, undoubtedly.

Mr. PAUL MARTIN (Essex East): May I ask the minister, in view of the attitude taken by the committee last year in respect to the desirability of going into this whole matter, whether there is provision now for the calling of witnesses, from afar if need be, to go into the matter thoroughly, or is that a question we shall have to determine in committee when it meets?

Mr. DUNNING: The committee itself, like all standing committees, has power to summon witnesses. As Minister of Finance I have always requested chairmen of committees to report to the house what they are proposing to do along that line in order that there may be some reasonable check on the degree of expense. In the case of this committee, as I am a member I suppose I cannot complain.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

OLD AGE PENSIONS—FEDERAL PAYMENTS

Mr. BOULANGER:

What amounts have been paid by the federal government, since April 1, 1936, to date, to each province, in connection with old age pensions?

Mr. DUNNING:

In the period April 1, 1936, to September 30, 1937(*), payments were made as follows:

Alberta	$ 2,172,086 41
British Columbia	2,785,914 73
Manitoba	2,921,703 62
New Brunswick	1,517,442 26
Nova Scotia	2,675,053 88
Ontario	13,948,004 72
Prince Edward Island	243,824 28
Quebec	6,971,915 95
Saskatchewan	2,589,355 90

(*)Payments for the quarter ended December 31, 1937, have not been completed in the case of all provinces.

FEDERAL GRANTS TO PROVINCES

Mr. BLANCHETTE:

1. What is the total amount of federal grants to the several provinces, respectively, for the fiscal years 1935-36, and 1936-37?

2. What amounts collected by the several provinces, respectively, on federal accounts, have been paid to the credit of the Receiver General during the same fiscal years?

Mr. DUNNING:

1. Should be passed as an order for return.

2. This question was asked last session and the following answer was given:

"Mr. Dunning: With reference to this question I find that a similar question was asked in the 1932 session. The then prime minister answered in a manner of which I wholly approve, and I quote his answer:

The question which the hon. gentleman asks I submit should be dropped. It is impossible to tell what sums have been derived from each province for the last five years, and by what department of the dominion government. It is possible to ascertain, as is known to every hon. member in this house, sums collected at the customs houses and income tax offices in each of the provinces. Obviously however, imports at cities like Montreal, Quebec, Saint John, Halifax, or other cities at the seaboard do not always show their destinations, and questions which have been asked in times past in this connection have not produced results. The bureau of statistics have not been able to get the information. It is not a question which the government could accurately answer, and an inaccurate answer would be worse than none at all.

For the same reasons I suggest that the question be dropped."

It is not often I agree so fully with the leader of the opposition (Mr. Bennett) as I do with respect to that answer. I think it accurate in every particular.

HAMILTON, ONT., CENTRAL POST OFFICE

Mr. LENNARD:

What revenue was derived by the government at Hamilton central post office on Christmas day, December 25, 1937?

Mr. ELLIOTT (Middlesex West): Incidental to other necessary work, employees on duty gave restricted service at the general delivery wicket between 7 a.m. and 12 noon. Fifty-five cents postage was sold during that time.

The two employees on duty were also engaged on box sortation, etc.

Complete deliveries were given in all sections of the city. Had this service not been given mails which were sorted Friday evening would have been delayed until Monday morning.

ANTICOSTI ISLAND

Mr. CHURCH:

1. What action, if any, has been taken by the government with respect to Anticosti island?

2. Can the government assure the house that Canada's sovereignty with respect to this territory and its boundary waters is not being exploited by a foreign government or by any private citizens thereof?

Mr. MACKENZIE KING:

1. The government has taken cognizance of representations appearing in the press and has made such inquiries as were deemed necessary and advisable.

2. Yes.

WASHINGTON CONFERENCE, 1922, AND ANGLO-JAPANESE ALLIANCE

Mr. CHURCH:

1. Who represented Canada at the Washington conference in 1922, and what other countries were represented?

2. Did Canada have representation there apart from Great Britain, and, if so, who were its delegates?

3. What stand did Canada take there, or elsewhere, as to the necessity of maintaining the Singapore base for naval security in the Pacific for Canada and the empire?

4. Did Canada at that conference support the policy of dissolving our former alliance with Japan?

5. What was decided at the said conference?

Mr. MACKENZIE KING:

1. The late Sir Robert Borden.

The United States of America, Belgium, the British Empire, Australia, New Zealand, India, China, France, Italy, Japan, The Netherlands, Portugal.

2. Yes. Answered by No. 1.

3. The Washington Conference arrangements placed no limitation upon the right of the authorities responsible for the government of Singapore to fortify or maintain a naval base there. So far as the present administration are aware, the necessity of such action has been viewed as a matter to be determined by the government of the United Kingdom.

4. The treaty, commonly known as the Quadruple Pacific Treaty, between the United State of America, the British Empire, France, and Japan, for the preservation of the general peace and the maintenance of their rights in the region of the Pacific ocean, which was concluded at Washington on December 13, 1921, and which terminated and superseded the agreement between Great Britain and Japan, concluded at London on July 13, 1911, commonly known as the Anglo-Japanese Alliance, was signed and ratified on behalf of Canada.

5. See sessional paper No. 47, Session of 1922: Conference on the Limitation of Armament, held at Washington, November 12, 1921, to February 6, 1922—report of the Canadian delegate including treaties and resolutions.

MISSION OF LORD HALIFAX TO HERR HITLER

Mr. CHURCH:

1. Was His Majesty's government in Canada advised or consulted about the mission of Lord Halifax to Herr Hitler to find out what Herr Hitler wanted, and did Canada approve of the same, or was Canada asked to approve?

2. What were the results of the said visit?

3. Will any communications, if any, from the government of Great Britain, be laid on the table of the house, or have any been received?

4. Did Lord Halifax at these interviews have power to represent Canada?

Mr. MACKENZIE KING:

1. The government were informed of Lord Halifax's departure for a visit to Germany on behalf of the government of the United Kingdom and of the purpose of the visit, but were not asked to express an opinion in the matter and did not express an opinion.

2. The government are unable to add anything to the public statements made on behalf of the government of the United Kingdom following the visit.

3. Communications have been received from the government of the United Kingdom subsequent to the visit. It would not be in accord with established practice to lay them on the table.

4. No.

MARKING OF IMPORTED FRUITS AND VEGETABLES

Mr. LENNARD:

1. Are the shippers of American fruits and vegetables required to mark each package with the name of the grower?

2. If not, will the government put this regulation into effect?

Mr. RINFRET:

1. No. The country of origin is required but not the name of grower.

2. Answered by No. 1.

HAMILTON POST OFFICE—TEMPORARY EMPLOYMENT

Mr. LENNARD:

1. How many extra men were temporarily employed at the Hamilton post office during the Christmas rush of 1937?

2. How many of these men were returned men?

3. How many of the returned men employed were recommended by officers of veterans' organizations?

Mr. ELLIOTT (Middlesex West):

1. 228.

2. 93.

3. 50.

WILLOW COVE, ONT., POST OFFICE

Mr. LENNARD:

1. What was the postal revenue derived from the post office at Willow Cove, Ontario, from its inception to December 31, 1937?

2. What remuneration did the postmaster receive for the same period?

Mr. ELLIOTT (Middlesex West):

1. $334.71.

2. $229.58.

TOKYO LEGATION—THE SINO-JAPANESE CONFLICT

Mr. CHURCH:

1. Who is Canada's minister to Japan?

2. What is the cost of the Canadian legation in Japan for the last fiscal year of record?

3. Has this legation been functioning during the Sino-Japanese war, and, if so, where?

4. Who is looking after the interests of Canadian nationls, and who is protecting the interests of Canadian nationals in the Sino-Japanese war zone?

5. What is Canada's foreign policy in relation to the Sino-Japanese conflict?

6. Will any correspondence or communications with the Chinese or Japanese governments be

laid on the table in reference to the said conflict or its probable settlement as it effects Canada and Canadian business in the far east?

Mr. MACKENZIE KING:

1. Honourable Robert Randolph Bruce.

2. $62,253.96.

3. The Canadian legation in Japan has been functioning without interruption since its establishment in May, 1929. The address of the legation is 16 Omote-cho, 3-chome, Akasaka-ku, Tokyo.

4. The interests of Canadian nationals requiring representations to the government of Japan are in the charge of the Canadian minister at Tokyo. There is no Canadian minister in China. Inquiries concerning and assistance to Canadian nationals in Chinese territory, including the regions of the conflict, have been carried out through members of the British consular and diplomatic service and members of the Canadian government trade commissioner service stationed in China. The procedure followed in the case of the Canadian national who was killed on the SS. "President Hoover," whereby the negotiations regarding the payment of indemnity are being handled by the United States Government, is similar to that followed in the "I'm Alone" case, in which the Canadian government presented the claim in respect of a French sailor who was killed.

5. To maintain a strict neutrality and to contribute in collaboration with other Governments, as opportunity affords, to movements designed to restore peace in the orient through methods of conciliation.

6. No.

CANADA AND THE NINE POWER CONFERENCE AT BRUSSELS

Mr. CHURCH:

1. Did Canada take part in the nine power conference of the Sino-Japanese war at Brussels?

2. What other countries were represented and who represented Canada?

3. What were the results of said conference?

4. Did the conference propose to stop the victorious Japanese advance? Did it propose to end the war, and, if so, how?

5. Who was responsible for the utter failure of this important conference?

6. Will a report of the conference be tabled?

7. What technique of diplomacy does Canada employ at these conferences?

8. Did Canada separately or with Great Britain ask the United States to join them in a note of protest to Japan?

9. Did the United States reply that they would act separately and not jointly?

Mr. MACKENZIE KING:

1. Canada, as a participant in the Nine Power Far Eastern treaty concluded at Washington, February 6, 1922, took part in the conference convened at Brussels for the purpose of examining, in accordance with article 7 of that treaty, the situation in the Far East and study friendly methods of hastening the end of the conflict now taking place there.

2. United States of America, Australia, Belgium, Bolivia, China, Denmark, France, India, Italy, Mexico, The Netherlands, New Zealand, Norway, Portugal, The Union of South Africa, Sweden, Union of Socialist Soviet Republics, United Kingdom.

The Hon. Raoul Dandurand, Senator, minister without portfolio.

3 and 4. The report of the Brussels conference, dated November 24th, 1937, as issued by the conference, which has been laid on the table, sets forth the proceedings.

5. Under the rules this question does not appear to be of a suitable character for disposition by question and answer.

6. Answered by nos. 3 and 4.

7. Canadian delegations at international conferences observe the methods of procedure customarily followed on such occasions.

8. No.

9. Answered by No. 8.

VISIT OF THE PRIME MINISTER TO BERLIN

*Mr. CHURCH:

1. On whose invitation did the Prime Minister visit Berlin and the German government of Herr Hitler in 1937, and on what days was the visit made?

2. What was the subject matters discussed and was the government of Great Britain advised or consulted about this visit?

3. Will a summary of the matters discussed be laid on the table of the house?

4. Was the subject of establishing a Canadian embassy to Germany under discussion?

5. Did the Prime Minister of Canada make any proposals during said discussions, and, if so, what were they?

6. Was the subject of the ceding of German colonies by Great Britain discussed?

7. Were any economic or international questions in their relation to Canada discussed, and, if so, what questions?

8. What is Canada's foreign policy with respect to Germany?

9. Is such foreign policy a Canadian policy, or is it in harmony with the foreign policy of Great Britain?

Mr. MACKENZIE KING: As this question refers more particularly to myself I am answering it orally.

It had been my intention to pay a visit to Germany at the conclusion of the Assembly of the League of Nations, at which I represented Canada, in the autumn of 1936. This, however, did not prove possible at that time. Following the imperial conference of 1937, I was able to carry out the deferred visit. As I have already indicated in public statements, the purpose of the visit was to obtain at first hand, as inti-

mate a knowledge of conditions in Europe as the time at my disposal permitted. After leaving Great Britain I paid brief visits to France and Belgium, as well as to Germany. The British Government were fully aware of the intention to pay the visit to Berlin, which occurred on June 27th to 30th, inclusive. The interchange of views and information which took place was of a nature which it is not the practice to disclose.

NYON CONFERENCE

Mr. CHURCH:

1. Was Canada represented at the conference at Nyon to prevent piracy in the Mediterranean?
2. If so, by whom?
3. What action was taken?

Mr. MACKENZIE KING:

1. No.
2. Answered by No. 1.
3. The states represented, namely, the United Kingdom, Bulgaria, Egypt, France, Greece, Roumania, Turkey, Union of Soviet Socialist Republics, and Yugoslavia, concluded on September 14, 1937, an agreement for collective measures against piratical attacks in the Mediterranean by submarines, and, on September 17, 1937, a supplementary agreement for collective measures against piratical acts in the Mediterranean by surface vessels and aircraft; and by subsequent arrangement, Italy agreed to participate in these measures.

OPENING OF SINGAPORE DRY DOCK

Mr. CHURCH:

1. Has Canada been yet invited by the British admiralty to the ceremonial opening of the new giant dry dock at Singapore on February 11?
2. Is the government aware that the United States, New Zealand and Australian war ships have been invited and have accepted the invitation according to dispatches from London, England?
3. Does Canada contribute anything to maintain maritime freedom in the Pacific or to the cost of this Singapore base—past or present—and what agreement was ever in existence about it, if any?
4. Who will represent Canada's navy if an invitation is extended to Canada?

Mr. MACKENZIE KING:

1. No.
2. No official information; press reports have been noted.
3. Canada has made no contribution to the cost of the Singapore naval base. The government know of no agreement in this respect. The expenditures upon measures for the naval defence of Canada, as approved by parliament from time to time, are shown in the records of the house.
4. Answered by No. 1.

[Mr. Mackenzie King.]

CANADIAN NAVY

Mr. CHURCH:

1. What does Canada's navy consist of, and where is it now located?
2. Did the Department of National Defence, on January 5 or 6, 1938, release the schedule of good-will cruises, 1938, for this fleet, in navy orders?
3. Has part of the fleet already set out to sea, and to what destination?
4. Have any of the fleet gone to Sino-Japanese waters?
5. Did part of His Majesty's Canadian Navy go to sea, on January 1, on a three months' cruise to Bermuda, St. Kitts, Barbados, St. Lucia and Granada on the Atlantic?
6. Who is the present admiral of the Canadian fleet, and where are his headquarters?
7. What is the total per annum cost to maintain this fleet, and how many officers and men have they?

Mr. MACKENZIE (Vancouver):

1. Administrative headquarters at Ottawa. Two destroyers and one training schooner based on Halifax, N.S.

Two destroyers and one minesweeper based on Esquimalt, B.C.

A naval depot and naval dockyard at Halifax, N.S.

A naval depot and naval dockyard at Esquimalt, B.C.

Port divisions of the Royal Canadian Naval Reserve at Halifax, N.S.; Charlottetown, P.E.I.; Quebec, P.Q.; Montreal, P.Q.; and Vancouver, B.C.

Divisions of the Royal Canadian Naval Volunteer Reserve at Halifax, N.S.; Charlottetown, P.E.I.; Saint John, N.B.; Quebec, P.Q.; Montreal, P.Q.; Ottawa, Ont.; Toronto, Ont.; Port Arthur, Ont.; Hamilton, Ont.; Winnipeg, Man.; Saskatoon, Sask.; Regina, Sask.; Calgary, Alta.; Edmonton, Alta.; Vancouver, B.C.; and Prince Rupert, B.C.

2. No. Programs of H.M.C. Ships are not promulgated through Naval Monthly Orders but in the form of programs issued separately. Destroyer winter cruising programs were promulgated to the Canadian Naval Service and dominion government departments concerned on 17th November, 1937, and that of the training schooner Venture on 7th December, 1937. Programs were released to the press on 4th and 5th January, 1938.

3. The destroyers left their bases for their winter cruise on 4th January, 1938, and the schooner Venture on 1st January, 1938. The schooner will cruise in West Indies waters until the end of March. The destroyers will meet at Panama Canal on 28th January, and cruise on the west coast of South and Central America until the end of March, then to the west coast of Canada. The east coast destroyers will leave Esquimalt on 25th April, and return to Halifax on 29th May.

4. No.

5. Answered by No. 3.

6. There is no officer of Admiral's rank in the Royal Canadian Navy. The Senior Canadian Naval Officer is Commodore P. W. Nelles, Director of the Naval Service and Chief of the Naval Staff, with Headquarters at Ottawa.

7. The total appropriation of the Canadian naval service for the present fiscal year is $4,548,046.

The following personnel were serving on 1st January, 1938:—

Royal Canadian Navy—	
Officers	114
Ratings	1,196
Royal Canadian Naval Reserve—	
Officers	53
Ratings	165
Royal Canadian Naval Volunteer Reserve—	
Officers	100
Ratings	1,040

SOLDIER SETTLEMENT PAYMENTS

Mr. WINKLER:

1. Are the arrears in soldiers' settlement payments relatively greater in the drought areas of the prairie provinces than elsewhere?

2. Are there any special areas in other provinces—British Columbia, Ontario, Quebec or the maritimes—where crop failures have comparably restricted the ability of the soldier settlers to meet their payments?

3. What areas in the three prairie provinces have been most seriously affected by drought in the past seven years?

4. In view of the inability through crop failures of many soldier settlers in the drought areas to avail themselves of the dollar for dollar bonus scheme, does the government propose any measures to assist settlers to overcome their burden of arrears: (a) by continuation of the bonus after March 31, 1938; (b) by other remedial legislation?

Mr. CRERAR:

1. Yes.

2. No. Crop failures have occurred intermittently in scattered localities from various causes, such as hail and grasshoppers.

3. The boundaries of the drought area in Canada are approximately as follows:—

In Alberta, beginning on the International boundary at approximately range 22, west of the fourth meridian, south of Lethbridge, extending northwest to Irricana then following an irregular arc northeast to Stettler, Wainwright, and along the Battle river to the Saskatchewan boundary.

In Saskatchewan, following the Battle and North Saskatchewan rivers to township 39, range 7, west of the third meridian, approximately 40 miles northeast of Saskatoon, then south and east to the Qu'Appelle river about north of Regina, and along this river to the Manitoba boundary.

In Manitoba (with the exception of 1937), following the Qu'Appelle and Assiniboine rivers to Brandon and then southeast to the vicinity of Morden.

4. (a) Under consideration.

(b) No. The department is facilitating applications from eligible settlers under the Farmers' Creditors Arrangement Act.

*GOVERNMENT ELEVATOR LEASES: IMPORTS OF CORN

Mr. MARTIN:

1. What portion of the expenditure made by the dominion government during the years 1929 to 1936 inclusive at the port of Three Rivers, Quebec, were spent in the development of the site leased to the Three Rivers Grain and Elevator Company Limited?

2. What rental does the government receive from the Three Rivers Grain and Elevator Company Limited?

3. What expenditure was made by the dominion government in developing the site at Sorel, Quebec, leased by the government to North America Elevators Limited?

4. What rental does the government receive from North American Elevators Limited for such site?

5. What quantity of Argentine corn arrived at the elevator of the Quebec Harbour Commission at Quebec city between September 25, 1936, and December 31, 1936?

6. What grain firms were the importers of such corn and at what rate or rates was storage charged and collected for the period such corn remained in store in the said elevator?

7. What has been the expenditure at the ports of Windsor, Sarnia, Goderich, Owen Sound, Collingwood, Midland, Ontario, and Three Rivers, Quebec, for the years 1922 to 1936 inclusive?

8. What are the quantities of corn imported into Canada in each of the years 1930 to 1937 inclusive for each of the following purposes: (a) starch manufacturing; (b) cereal manufacturing; (c) distilling; (d) other purposes, and what in each case was the country of origin?

9. (a) What were the quantities of Argentine corn imported into Canada between September 25, 1936, and December 31, 1936; (b) what were the quantities of corn arriving at each of the various ports in Canada where such corn was unloaded from ocean boats; (c) what was the highest, lowest, and average c.i.f. price of such corn?

Mr. HOWE: The government have no information with regard to a number of these items. I suggest that question be dropped.

Question dropped.

MIDDLE ROAD, BURLINGTON RAILWAY CROSSING

Mr. LENNARD:

1. When was the protective equipment at the railway crossing on the middle road at Burlington, Ontario, installed?

2. How long was this after the four-lane highway was opened to traffic?

3. Was there any form of temporary protection at this crossing before the regular equipment was installed?

Mr. HOWE:

1. The Board of Railway Commissioners was advised by the Canadian National Railways on January 18th, 1938, that this installation had been completed.

2. No information.

3. Crossing was protected by regulation crossing signs, whistle posts and fences. In addition to these, there were advance warning signs located 500 feet along the highway on both sides of the crossing.

COST OF HOLIDAY POSTAL SERVICE

Mr. LENNARD:

1. What was the additional cost to the Post Office Department through the operation of the holiday postal delivery in Canada for the year 1937?

2. What was the additional cost of the operation of the holiday postal delivery in Hamilton for the same period?

Mr. ELLIOTT (Middlesex):

1. $78,769.77.

2. $2,904.29.

WEST TORONTO CUSTOMS OUTPORT

Mr. MULOCK:

1. Under whose control are the employees of the West Toronto customs and excise outport?

2. Through what office are these employees paid?

3. Are excise taxes collected through the West Toronto customs and Excise outport?

4. If not, through what office?

5. Are customs collected through West Toronto customs and excise outport?

6. What reduction in staff has been made at the West Toronto customs and excise outport, giving particulars of position and salary in each case?

7. What addition in staff has been made at the West Toronto customs and excise outport, giving particulars of position and salary in each case?

8. What reduction in staff, if any, has been made in the Toronto office as a result of the establishing of West Toronto customs and excise outport as an independent port?

9. On what grounds was the West Toronto customs and excise outport established as an independent port?

10. On whose recommendation?

11. Was the collector at Toronto asked for a recommendation, and, if so, did he recommend the change?

12. Was the West Toronto customs and excise outport established as an independent outport owing to the fact that it was not run satisfactorily?

Mr. ILSLEY:

1. All officers in the customs and excise services are under the control of the Minister of National Revenue. On the 1st of January, 1938, West Toronto was established as a port and warehousing port.

[Mr. Lennard.]

2. Through the office of the Comptroller of the Treasury.

3. Excise taxes on importations were collected through the outport of West Toronto prior to the 1st of January, 1938, since which date they have been collected through the port of West Toronto.

4. Answered by No. 3.

5. Customs duties were collected through the outport of West Toronto prior to the 1st of January, 1938, since which date they have been collected through the port of West Toronto.

6, 7, 8. None.

9. On purely administrative grounds to promote increased efficiency by eliminating duplication of work and in the interests of economy in effort, time and expense.

10. West Toronto was established as a port and warehousing port by order in council on the recommendation of the hon. the Minister of National Revenue.

11 and 12. No.

INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION

Mr. REID:

1. Who are the members of the International Pacific Salmon Fisheries commission?

2. What was the date or dates of their appointment, both Canadian and American?

3. Do the commissioners receive any remuneration, salary or emolument of any kind for their services?

4. What expenses or expenditure have been incurred by the commission or by individual members of the commission since its inception and up to the present time?

Mr. MICHAUD:

1. Canadian members: W. A. Found, Deputy Minister of Fisheries; Thos. Reid, M.P., Newton, B.C.; A. L. Hager, Pres. and Gen. Mgr., Canadian Fishing Co., Vancouver, B.C. United States members: Chas. E. Jackson, United States Deputy Commissioner of Fisheries, Washington, D.C.; Edward W. Allen, attorney, Seattle; B. M. Brennan, Director, State Department of Fisheries, Seattle.

2. Canadian members: April 15, 1937. United States members: Aug. 27, 1937.

3. Re Canadian members: No. Re United States members: No information.

4. Canadian share of divisible expenses..		$203 21
Travelling expenses of Commission:		
W. A. Found..	$339 60	
Thos. Reid, M.P.. ..	nil	
A. L. Hager..	nil	
		339 60
Total Canadian expenditure..		$542 81

FARMERS' CREDITORS ARRANGEMENT ACT

Mr. DOUGLAS (Weyburn):

1. How many proposals have been submitted by farmers under the Farmers' Creditors Arrangement Act since it was passed: (a) by provinces; (b) total?
2. How many of these cases have ben brought to a conclusion: (a) by provinces; (b) total?
3. What is the approximate debt of the farmers whose cases have been disposed of: (a) by provinces; (b) total?
4. What reduction in (1) principal, (2) interest, were effected in these debts; (a) by provinces; (b) total?
5. What is the approximate relation of the total debt of these farmers to, (1) the value of their farms, (2) the value of all their assets including land, stock and equipment, (a) by provinces; (b) total?
6. What is the average debt of the farmers who have applied under the Farmers' Creditors Arrangement Act, in the province of Saskatchewan?
7. How many cases are awaiting hearing by the Board of Review in the province of Saskatchewan?
8. What was the percentage of reduction in farmers' debts: (a) under the present Board of Review in Saskatchewan; (b) under the previous Board of Review headed by Justice MacLean?

Mr. DUNNING:

1. and 2.

	Submitted	Concluded
P.E.I.	1,116	1,076
N.S.	163	148
N.B.	1,060	939
Que.	5,760	5,094
Ont.	8,823	7,372
Man.	3,550	3,157
Sask.	6,212	4,659
Alta.	4,377	3,297
B.C.	679	623
Total.	31,740	26,365

3 and 4.

	Approximate debt In cases disposed of	Reduction In cases disposed of Principal	Interest
Prince Edward Island	$ 2,985,036 76	$ 734,476 72	$ 42,179 24
Nova Scotia	798,378 90	272,194 34	15,998 48
New Brunswick	1,576,993 86	479,434 50	35,851 26
Quebec	19,230,642 82	3,122,765 49	488,084 14
Ontario	34,960,614 72	9,268,482 76	743,540 56
Manitoba	22,380,814 03	9,463,273 59	728,824 60
Saskatchewan	43,243,842 33	14,533,477 92	966,124 32
Alberta	29,505,360 49	11,040,504 71	1,086,964 27
British Columbia	3,629,682 14	1,274,901 41	106,529 40
Total	$158,311,366 05	$ 50,189,511 44	$ 4,214,096 27

5.

	Value of Farms	Value of all Assets Including Land, Stock and Equipment	Total Debt
Prince Edward Island	$ 2,952,544	$ 3,847,776	$ 2,985,036 76
Nova Scotia	416,028	510,008	798,378 90
New Brunswick	1,949,364	2,583,189	1,576,993 86
Quebec	18,328,212	22,281,156	19,230,642 82
Ontario	30,040,900	36,904,232	34,960,614 72
Manitoba	10,257,093	13,837,131	22,380,814 03
Saskatchewan	25,866,768	32,668,908	43,243,842 33
Alberta	20,642,517	26,606,790	29,505,360 49
British Columbia	2,523,773	3,174,808	3,629,682 14
Total	$ 112,977,199	$ 142,413,998	$158,311,366 05

6. $9,281.79.
7. 1,116.
8. (a) 44·38%; (b) 27·77%.

DOMINION HOUSING ACT—TOTAL EXPENDITURES

Mr. REID:

What total amounts of money have been expended in the various provinces under the Dominion Housing Act, up to the end of December, 1937, and, (a) how much of this amount has the government contributed? (b) how many applications for loans under the act have been received from each province up to the end of the last calendar year? (c) how many individual loans have been made in each province?

Mr. DUNNING:

	Amount of Loans Approved
Prince Edward Island	$ 54,034
Nova Scotia	1,259,054
New Brunswick	264,367
Quebec	4,586,708
Ontario	5,534,658
Manitoba	308,314
Saskatchewan	8,200
Alberta	—
British Columbia	1,019,523
	$ 13,034,858

(a) Government's share $3,405,574, of which $2,494,398 has been paid out.

(b)The Dominion Housing Act requires that all applications for loans be made, in the first instance, to approved lending institutions. The government has no information as to the total number of applications received by such approved lending institutions. The following table gives the number of applications, by provinces, received in the department of Finance up to December 31, 1937:

	Number of Applications
Prince Edward Island	10
Nova Scotia	283
New Brunswick	60
Quebec	550
Ontario	995
Manitoba	50
Saskatchewan	5
Alberta	—
British Columbia	255
Total	2,208

(c)	No. of Loans	No. of Family Units Provided
Prince Edward Island	10	10
Nova Scotia	280	282
New Brunswick	60	63
Quebec	535	992
Ontario	962	1,292
Manitoba	48	48
Saskatchewan	2	2
Alberta	....	—
British Columbia	253	329
Total	2,150	3,018

DOMINION HOUSING ACT—LOANS

Mr. MALLETTE:

What loans have been made to date, listed separately, under the Dominion Housing Act to the different municipalities on the island of Montreal?

Mr. DUNNING:

Loans under the Dominion Housing Act are made to individual borrowers and not to municipalities. The details of loans to individuals residing on the island of Montreal are as follows:—

	No. of Loans	Number of Family Units Provided	Amount
Cote St. Luc	14	31	$ 134,050
Dorval	3	3	14,100
Hampstead	39	83	425,986
Lachine	12	17	55,950
Longueuil	1	1	2,600
Montreal	182	450	1,890,862
Montreal West	1	1	5,000
Mount Royal	98	132	764,328
Outremont	44	111	561,500
Pointe Claire	20	21	74,756
St. Laurent	6	6	31,000
Senneville	2	2	14,250
Verdun	3	4	17,700
Ville St. Pierre	1	1	3,850
Westmount	8	8	92,225
Total	434	871	$ 4,088,157

PRINCE ALBERT-STEEP CREEK, SASK., MAIL ROUTE

Mr. COLDWELL:

1. What persons tendered for contract of carrying mail between Prince Albert and Steep Creek, on or about April 2, 1937?
2. What was the amount of each tender?
3. Who obtained the contract?
4. When did he begin his duties?

Mr. ELLIOTT (Middlesex):

1 and 2:

Marshall Cripps, Steep Creek.. ..	$425
Thos. Sinkiewicz, Steep Creek.. ..	456
Francis Geo. Clark, Steep Creek..	460
L. A. Thorsen, Steep Creek..	465
Walter Curnicki, Steep Creek.. ..	490
Wm. Tennant, Prince Albert..	500
Thos. J. Sinkiewicz, Steep Creek..	520
Neal G. Garven, Steep Creek.. ..	550
Fred Moldowan, Samburg..	624
Jas. Justus Martin, Steep Creek..	749
Andrew Keller, Prince Albert.. ..	850

3. Marshall Cripps.

4. 1st September, 1937.

LANGLEY PRAIRIE, B.C., EMERGENCY LANDING FIELD

Mr. BARBER:

1. What is the acreage of the airport or emergency landing field at Langley, British Columbia?
2. How much was paid for the land?
3. What amount has been expended to date on this field?
4. What is the estimated amount required to complete the work?
5. Is this field subject to fog or flood conditions; if so, how many days did such condition or conditions prevail during the year 1937?

Mr. HOWE:

1. Ninety acres.

2. $24,411.60.

3. $48,437.24—1936-37—$23,943.10; 1937-38—$24,494.14.

4. $15,925 (Field $1,425—Lighting $14,500).

5. This district is subject to occasional flood and fog. Special drainage has been installed to prevent flooding of aerodrome. No record is available of the number of days fog prevailed.

Mr. REID:

1. Was the site for the airport or emergency landing field at Langley Prairie surveyed by officials of the dominion government before purchase of the site was made?
2. If so, when was this survey made, and in what year was a report, if any, made to the government?
3. In any report made to the government regarding the Langley Prairie airport or emergency landing field, was any reference made as to the possible flood and/or fog conditions?
4. Were any steps taken by the government to acquire the land for this site previous to the general election of 1935?
5. Who was the owner or owners of the land negotiated with in acquiring or the possibility of acquiring this emergency field?

Mr. HOWE:

1. Yes.

2. Following preliminary surveys along the route of the Trans-Canada Airway, a detailed survey by officers of the Department of National Defence was made between January 6th and 16th, 1935. The report of this survey is dated January 16th, 1935.

3. Yes. The report stated that on January 6th this property was the only one in the district not covered by water, and that a thorough search had established the fact it was the only suitable aerodrome in the district. Fog was known to be prevalent in the district during the winter months.

4 and 5. Options were taken on the property from the former owners, Dr. Edward H. Saunders and John W. Berry, on January 10th and 11th, 1935, respectively.

HAY EXPORTS TO THE UNITED STATES

Mr. BRUNELLE:

1. What was the quantity of hay exported to the United States in each of the years 1933, 1934, 1935, 1936, and 1937?
2. What was the value of hay so exported to the United States in each of the years 1933, 1934, 1935, 1936, and 1937?
3. In the province of Quebec, what is the rate per mile for the transportation of hay in carload lots to the United States?

Mr. RINFRET:

1. Calendar Years	Tons
1933..	7,068
1934..	23,076
1935..	68,870
1936..	70,594
1937..	140,894
2. Calendar Years	**$**
1933..	36,671
1934..	211,257
1935..	683,360
1936..	479,505
1937..	955,109

3. Rates on hay in carload lots from points in the province of Quebec to points in the states of Massachusetts, New Hampshire, Connecticut, Rhode Island, Vermont, Maine and New York vary, depending upon point of origin and point of destination, and range from 34½c to 62c per 100 lbs.

ROYAL COMMISSION ON MARITIME LOBSTER FISHING

Mr. BROOKS:

1. Has the royal commission appointed in 1937 to investigate illegal lobster fishing in the maritime provinces filed a report with the Department of Fisheries?

2. If so, what action, if any, has been taken by the Department on the recommendation of the commission?

3. (a) What was the cost of the commission; (b) how many sittings were held, and at what places?

4. What are the names of the individuals who took part — except witnesses — showing: (a) amount paid in fees for services; (b) amount paid for expenses in each case?

Mr. MICHAUD:

1. Yes.

2. The commission was a fact finding one and so made no recommendations.

3. (a) $9,186.68.

(b)

Newcastle, N.B.	7
Richibucto, N.B.	8
Buctouche, N.B.	10
Shediac, N.B.	9
Port Elgin, N.B.	4
Moncton, N.B.	1
Charlottetown, P.E.I.	5
Summerside, P.E.I.	7
Alberton, P.E.I.	11
Tignish, P.E.I.	3
	65

4.

	Fees	Expenses
Hon. Judge A. T. Leblanc, Commissioner	nil	1,950.00
Hon. H. F. G. Bridges, Counsel	2,550	990.00
Miss J. Saindon, Sten.	845	712.96
Witness fees and expenses		2,138.72
	$3,395	$5,791.68

HORNBY, ONT., BROADCASTING STATION

Mr. GRAYDON:

1. What was the total cost of the new radio broadcasting station at Hornby, Ontario?

2. How many wave-traps have been supplied to date to owners of radio receiving sets in the vicinity of said station?

3. How many licences have been issued for radio receiving sets in the county of Peel for the current fiscal year?

Mr. HOWE:

1. P.C. 691, dated April 1, 1937, authorized an expenditure of $282,123.00 for the establishment near Hornby, Ontario, of a 50 K. W. transmitter, complete with land and accessories. The total expenditure to this date is $270,012.00.

2. Five hundred.

3. 2,498.

COST TO CANADA OF UNITED STATES RADIO PROGRAMS

Mr. BENNETT:

What is the cost to the Canadian Broadcasting Corporation of United States radio programs presently heard over the Canadian network?

[Mr. Brooks.]

Mr. HOWE: The following information has been supplied by the Canadian Broadcasting Corporation:

1. Nil.

DOMINION GOVERNMENT RECORDS OFFICE

Mr. HYNDMAN:

1. Has the government completed a building at Ottawa for the storing of records?

2. Have the records in the Auditor General's office increased in the past thirty-five years, and, if so, to what extent?

3. Was there a clerk of records employed in the Auditor General's office in the year 1917, and, if so, what is the name of such clerk?

4. How many years of service had this clerk in the Auditor General's office before he was appointed as clerk of records?

5. Was the position of clerk of records in the Auditor General's office abolished, and, if so, why?

6. Is there a clerk of records or record clerk employed in the government service at Ottawa according to civil service classification?

7. If so, will such clerk in the Auditor General's office receive a classification from the civil service commission covering the duties of his employment?

Mr. RINFRET:

1. Record storage building at central experimental farm now under construction.

2. No means of determining extent of increase.

3. H. Cottee was appointed temporarily clerk of records in 1917 under War Measures Act not Civil Service Act.

4. 19 years, as messenger.

5. On restoration to permanent staff, position was classified as senior file clerk.

6. There is no position in the civil service classification.

7. No change in classification considered necessary.

WEST TORONTO CUSTOMS PORT—APPOINTMENTS

Mr. ROSS (St. Paul's):

1. Will the collector of customs for the new port of West Toronto be appointed from the civil service?

2. Will all appointments to the staff of the port of West Toronto be made from the civil service?

Mr. ILSLEY:

1. The position of collector of customs and excise for the port of West Toronto will be filled by the civil service commission by promotion from within the customs excise services.

2. Appointments to the staff of West Toronto as vacancies occur will be made by the civil service commission by promotion from within the customs excise services, or if there is no one eligible for promotion, then by

assignment by the civil service commission from eligible lists established by that commission.

NATIONAL EMPLOYMENT COMMISSION—RECOMMENDATIONS

Mr. ROSS (St. Paul's):

1. Did the Purvis employment commission make recommendations to the government with respect to low-cost housing?
2. If so, were these recommendations made before parliament last rose?
3. If so, why were these recommendations not tabled?

Mr. ROGERS:

1. The national employment commission made the following recommendations to the minister:

Sept. 2, 1936—For a dominion government housing policy, including a detailed home improvement plan, and basic principles to govern a low rental housing plan.

Feb. 10, 1937—For a detailed low rental housing plan.

March 25, 1937—For draft legislation to embody the low rental housing plan.

2. Yes.

3. These recommendations are embodied in the final report of the national employment commission, which will be tabled as soon as it is available for distribution.

ELIMINATION OF PATRONAGE FROM RELIEF WORK APPOINTMENTS

Mr. ROSS (St. Paul's):

1. Has the government taken all steps in its power to see that patronage is eliminated from all appointments to relief works?
2. Has the government so instructed the heads of the various government employment agencies?

Mr. ROGERS:

1. Agreements entered into with the provinces respecting relief projects provide inter alia that "No resident of Canada shall, with relation to his employment or eligibility for employment be discriminated against nor favoured by reason of his race, religious views or political affiliations."

2. Employment agencies and the engagement of workers and supervisory staff under agreements referred to are within the jurisdiction of the provincial governments. Any complaints as to discrimination are promptly brought to the attention of the provincial government for investigation.

*RECIPROCAL TAX CONVENTION

Mr. PINARD:

1. Upon what date was the reciprocal tax convention between Canada and the United States, effective as from January 1, 1936, and passed by the parliament of Canada at its last session, ratified by the United States Senate?
2. Is the government aware that although this convention reduces the rate of deduction, at source, on all income received from the United States, by residents in Canada, from 10 per cent to 5 per cent, no refunds of the two over-deductions in 1936, so far as is known, have been made to Canadians interested?
3. Has the government knowledge of the fact that the United States government requires that Canadians claiming a refund of the two 1936 over-deductions must make application therefor to the collector of internal revenue at Baltimore, Maryland?
4. Has the government any knowledge of the number of claims so filed at Baltimore by Canadians?
5. Is the government aware that many requests have been made by Canadians to the treasury department, internal revenue service, at Baltimore, for the refund cheques, and that the invariable reply is that the claims have been forwarded to Washington for review?
6. Will the government take steps through the Canadian minister at Washington, to move the United States government to expedite the settlement of this matter by forwarding the refund cheques due on account of the 1936 over-deductions?

Mr. ILSLEY:

1. August 13, 1937.
2. No.
3. Yes.
4. No.
5. No.
6. Compliance with United States regulations involves certain mechanical procedure and statements which would take time before refunds can be made. The procedure having been determined, the delay occasioned thereby would not appear to call for steps to be taken through the Canadian minister at Washington.

TUBERCULAR WAR VETERANS' TREATMENTS

Mr. LENNARD:

Is it the intention of the government to have tubercular war veterans receive home treatment instead of treatment in sanitariums as at present?

Mr. POWER: No change is contemplated in present procedure of treatment of tuberculous pensioners under Department of Pensions and National Health.

MASTERS' CERTIFICATES ISSUED IN BRITISH COLUMBIA

Mr. REID:

1. How many certificates of service for captain or master of a steamship have been issued by the minister of transport in the Province of British Columbia since the change in the shipping act and up to the end of 1937?
2. How many of these have been issued to those other than white Canadian seamen?

Mr. HOWE:

1. 191.

2. Sixty-one; all but one being restricted to the fishing industry.

*NAMING NEW CANADIAN DESTROYERS

Mr. PURDY:

Will the government consider the selection of maritime provinces names for the two destroyers which, according to press reports, are to be purchased?

Mr. MACKENZIE (Vancouver): The matter is now receiving consideration.

PARLIAMENT HILL—ICY CONDITION OF GROUNDS AND SIDEWALKS

Mr. CHURCH:

Will the government take steps to remedy the dangerous condition of the roads and sidewalks on parliament hill, due to ice thereon?

Mr. DUNNING:

The federal district commission furnished the following facts:

The maintenanace of the sidewalks and roads on parliament hill is the responsibility of the federal district commission. One foreman and twelve men are on duty each day from 6 a.m. to 5 p.m. and one man daily from 5 p.m. to 11 p.m. It is their duty in the winter time to see that all walks, steps, and roads are kept clear of snow and maintained in a safe condition for the use of the public. A truck is in constant use to make available sand, cinders, and salt. During the last ten days eighty tons of sand and cinders and more than a ton of salt have been applied in this maintenance work.

The unseasonable climatic conditions of the past three weeks—rain, sleet, thawing and freezing—have added considerably to the usual difficulties of winter maintenance work, but the commission has done everything possible and has spared no expense in its efforts to make all the thoroughfares on parliament hill safe for public use.

The commission finds that there has been no negligence on the part of any of its employees engaged in this work and that all possible steps have been taken to keep the sidewalks and roads on parliament hill in a safe condition at all times. No reports were received during this recent icy period of any accidents occurring from slippery sidewalks or roads in this area.

*CREDIT EXTENSION ON INDUSTRIAL WORKERS' HOMES

Mr. CHURCH:

Will any action be taken to extend to industrial workers who are losing their homes through foreclosure or otherwise, such relief as that afforded in the Farmers' Creditors Arrangement Act for the benefit of farmers and fishermen?

Mr. DUNNING: This question relates to a matter of policy and it is not usual for the government to make statements on matters of policy in giving replies to questions.

WHONNOCK, B.C., RURAL MAIL SERVICE

Mr. BARBER:

1. Were tenders called for mail service on proposed rural route No. 1, Whonnock, British Columbia, during 1937?

2. Who tendered, and what was the amount of each tender?

3. Has the contract been awarded?

4. If so, to whom; if not, for what reason?

Mr. ELLIOTT (Middlesex):

1. Yes—In April, 1937, and again in August, 1937.

2. (a) In April:

F. Parker, Whonnock	$ 800
Arvid Pearson, Whonnock	936
Frederick Stevenson, Whonnock	960
A. T. MacBryer, Whonnock	987
H. J. Byrnes, Whonnock	1,047
B. A. Whiting, Whonnock	1,050
Patrick Hertslet, Whonnock	1,080
W. R. Young, Whonnock	1,175
Enoch Jones, Whonnock	1,200
C. A. Black, Ruskin	1,200

These tenders being considered high, each tenderer was given an opportunity to modify his tender, with the following result:

F. Parker reduced to	$ 775
Arvid Pearson reduced to	925
Frederick Stevenson reduced to	875
A. T. MacBryer reduced to	840
H. J. Byrnes reduced to	998
Patrick Hertslet reduced to	1,000
W. R. Young reduced to	1,100
Chas. A. Black reduced to	1,100
Enoch Jones would not reduce.	
B. A. Whiting would not reduce.	

(b) These offers still being considered high, tenders were again invited in August, 1937, and the following were received:

M. R. Charlton, Whonnock	$ 650
R. S. Whiting, Whonnock	660
F. Parker, Whonnock	720
Frederick Stevenson, Whonnock	780
F. W. Phillips, Whonnock	850
A. G. Grant, Whonnock	899
W. R. Young, Whonnock	990
C. Wicks, Vancouver	1,100
Edgar Rakewind, Whonnock, late	800

3. Yes.

4. M. R. Charlton.

PORT HAMMOND, B.C., RURAL MAIL ROUTE

Mr. BARBER:

1. To whom was the contract awarded for mail service on rural route No. 1, Port Hammond, British Columbia?

2. Who tendered, and what was the amount of each tender?

Mr. ELLIOTT (Middlesex):

1. Wm. Moyer.

2. Wm. Moyer, Port Hammond..	$ 750.00
Gilbert Rikley, Port Hammond	850.00
Ray Phillips, Port Hammond..	880.00
Bryan T. Adams, Port Hammond..	900.00
Harry Cutler, Port Hammond	900.00
Cyril G. Franklin, Port Hammond..	1,075.00
Orme Stewart Dickie, Port Hammond..	1,200.00

These tenders being considered high, an opportunity was given each tenderer to modify his tender, with the following result:—

Wm. Moyer refused to reduce his tender of..	$ 750.00
Gilbert Rikley reduced to..	800.00
Ray Phillips reduced to..	850.00
Bryan T. Adams reduced to.. ..	875.00
Harry Cutler reduced to..	775.00
Cyril G. Franklin reduced to.. ..	994.00
Orme Stewart Dickie reduced to ..	1,000.00

CANADIAN CUT FLOWER INDUSTRY

Mr. GRAYDON:

1. What was the total value of cut flower production in Canada during 1935, 1936, and 1937?

2. Of the said total production, what proportion was produced in the county of Peel?

3. What were the total imports of cut-flowers from the United States during the said years?

4. How much was collected by the dominion government by way of tax on sales of cut-flowers during the said years?

Mr. RINFRET:

1. Years ending May 31st	$
1935..	1,763,013
1936..	1,105,827
1937	Not available

2. Not available by counties.

3. Calendar years	$
1935..	54,363
1936..	100,443
1937..	96,596

4. Sales tax not available on any one commodity.

BROADCAST OF GOVERNOR GENERAL'S ADDRESS TO SCOTTISH CURLERS

Mr. LAWSON:

1. Was the address of welcome of His Excellency the Governor General to the Scottish curlers visiting Canada, and the reply of the spokesman for such Scottish curlers broadcast from station CBL at Toronto?

2. On what date, and at what time did the broadcast start, and at what time was it terminated according to the log of station CBL?

3. Was it broadcast across Canada?

4. If not, from what stations, and in what territory was it broadcast?

Mr. HOWE:

The following information has been supplied by the Canadian Radio Broadcasting Corporation:

1. Address picked up by station CBO, Ottawa, and relayed by station CBL, Toronto.

2. January 18, 1938, CBL—Commenced at 9 p.m., E.S.T., and terminated at 9.29.40 p.m., E.S.T.

3. Yes.

4. See No. 3

NATIONAL BROADCAST BY C. W. BROCKINGTON

Mr. LAWSON:

1. Who paid for the national broadcast of C.W. Brockington, chairman of the Canadian Broadcasting Corporation, which took place on or about February 4, 1938, in reference to the raising of radio licence fees and the policy of selling air channels to United States advertisers?

2. If it was not paid for, was it carried as a sustaining program?

3. What time was occupied by this broadcast?

4. What is the standard price for the same time under the same network of stations if sold, (a) for commercial program (advertising); (b) for sponsored program (no advertising)?

Mr. HOWE:

The following information has been supplied by the Canadian Radio Broadcasting Corporation:

1. Carried as sustaining program.

2. See No. 1.

3. Thirty minutes.

4. (a)$1,282.

(b) No such classification.

*NATIONAL HARBOURS BOARD ACT AMENDMENT

Mr. GARIEPY:

Is it the intention of the government to amend, at the present session, the National Harbours Board Act, 1936, in order to give to each port an advisory committee recruited locally?

Mr. HOWE: I submit that this question is not a proper one.

Mr. SPEAKER: Dropped.

*NATIONAL DEBT RETIREMENT POLICY

Mr. LANDERYOU:

Has the government any definite plan in mind which, if proceeded with, would substantially reduce and eventually pay off Canada's national debt within, (a) twenty years; (b) fifty years; (c) one hundred years?

2. If so, in what respect does this plan differ from the policy of the past thirty years?

Mr. DUNNING: This is not a proper question. It has reference to government policy and cannot be put in the form of a question.

Mr. SPEAKER: Dropped.

SALE OF GOVERNMENT DREDGING FLEET

Mr. PELLETIER:

1. Has the government sold the dredging fleet of the St. Lawrence, or a part of it, including the marine facilities at Sorel, Quebec?

2. If so, (a) to whom were they sold; (b) for what amount were tenders called; (c) was the lowest tender accepted; (d) were any other tenders received, and from whom? (e) what was the amount of each tender received?

Mr. HOWE:

1. Yes.

2. (a) To General Dredging Contractors, Limited.

(b) The properties referred to were disposed of by negotiation.

(c), (d) and (e) answered by 2 (b).

PORT OF SOREL ADMINISTRATION

Mr. GARIEPY:

1. Is the port of Sorel included under the administration of the national harbours commission?

2. If not, will the said port be put under the administration of the said commission, and when?

3. Why is said port not under such commission?

Mr. HOWE:

1. No.

2. This question relates to a matter of government policy.

3. The harbour at Sorel is administered by the Department of Transport as a public harbour under the provisions of the Harbours and Piers Act.

VETERANS' ASSISTANCE COMMISSION

Mr. EDWARDS:

1. What is the total cost to date of the royal commission on veterans' assistance?

2. What are the rates of pay and allowances (travelling and living) made to each commissioner, and the amounts paid to date to each commissioner, by name, under these or other heads?

3. What are the rates of pay and allowances of any kind to counsel and assistant counsel, of the commission, and the amounts paid to date to each such official, by name, under these or other heads?

4. What is the total cost to date for: (a) secretarial assistance; (b) clerical assistance; (c) preparation of stenographers' report of proceedings of the said commission?

5. How many days did the commission sit to hear evidence, and how many days were spent in travelling?

6. How many witnesses were called by the commission, and what was the total amount paid for their appearance before the said commission?

Mr. POWER:

1. No royal commission was appointed.

The veterans' assistance commission was appointed under authority of the Veterans' Assistance Commission Act, 1936. $326,640.65.

2. Rates of pay:

J. G. Rattray, chairman

7-7-36—31-3-37 at $6,000, less 5%—$4,183.06
1-4-37— 6-1-38 at 6,000, less 5%— 4,506.77

H. L. de Martigny

7-7-36—31-3-37 at $4,800, less 5%—$3,346.45
1-4-37— 6-1-38 at 4,800, less 5%— 3,677.42

A. Ross

7-7-36— 6-10-36 Nil

R. MacNicol

7-10-36—31-3-37 at $4,800, less 5%—$2,206.45
1- 4-37— 6-1-38 at 4,800, less 5%— 3,677.42

Actual transportation and travelling expenses:

J. G. Rattray	$1,068.39
H. L. de Martigny	739.95
A. Ross	340.50
R. MacNicol	1,093.39

3. No counsel employed.

4.

(a) Secretarial assistance, Ottawa	$10,117.49
Secretarial assistance, honourary committees	30,212.97
(b) Clerical assistance, Ottawa	31,082.96
Clerical assistance, honorary committees	10,238.04

(c) Nil.

5. The commission held sittings on thirty-seven days at various centres from Sydney to Victoria during the period September 14, 1936 to January 5, 1937, in the course of which approximately sixteen additional days were employed by each commissioner in travelling.

[Mr Speaker.]

Place—Date—1936	No. of days
Montreal—Sept. 14, 15, 16	3
Quebec—Sept. 17	1
Toronto—Sept. 21, 22, 23, 24, 25	5
Hamilton—Sept. 28, 29	2
London—Sept. 30, Oct. 1	2
Windsor—Oct. 2, 3	2
Charlottetown—Oct. 15	1
Sydney—Oct. 17	1
Halifax—Oct. 19, 20	2
Saint John—Oct. 21, 22	2
Sherbrooke—Oct. 23	1
Vancouver—Nov. 12, 13	2
Victoria—Nov. 16	1
Edmonton—Nov. 19, 20	2
Calgary—Nov. 21	1
Moose Jaw—Nov. 24	1
Regina—Nov. 25	1
Saskatoon—Nov. 27	1
Winnipeg—Nov. 30, Dec. 1, 2, 3	4
Fort William—Dec. 4	1
Ottawa—January 5, 1937	1
	37

6. Sittings were public. Witnesses appeared at no expense to the government.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS

Mr. BOULANGER:

1. Since April 1, 1936, to date, what works have been undertaken in the several provinces under the law to alleviate unemployment and agricultural distress?

2. During the same period, what amounts have been contributed by the federal government for such works in the several provinces?

3. Have all these works been executed by contract after a public call for tenders?

4. What works, if any: (a) have been executed without tender; (b) where; (c) what was their cost; (d) who executed them?

5. What works, if any: (a) have been done without tender by supervisors who were remunerated by commissions on the cost of materials and labour; (b) where are these works; (c) what did they cost, and (d) what are the names, occupations and addresses of the supervisors referred to?

TRANS-CANADA HIGHWAY

Mr. BOULANGER:

1. Since April 1, 1936, to date, what sums have been expended by the federal government for standardizing, rebuilding or constructing the trans-Canada highway in the several provinces?

2. During the same period how many miles of said highway were standardized, rebuilt or constructed by federal aid in the different provinces?

3. During the same period, what standardizing, rebuilding or constructing works were carried out without tender on the trans-Canada highway by the several provinces?

4. During the same period, what contracts for standardization, rebuilding or construction were awarded without tender by the provincial governments to supervisors who were remunerated on a commission basis on the cost of labour and materials?

5. What are the names, occupations and domiciles of the supervisors referred to in the preceding question?

Mr. RINFRET: Return tabled.

INVESTIGATIONS BY ROYAL CANADIAN MOUNTED POLICE

Mr. REID:

1. Were any investigations carried out by the Royal Canadian Mounted Police at Deep bay or any other place on Vancouver island sometime during the month of January, 1938, following a fire which had menaced or destroyed property or buildings?

2. If so, was any equipment of a military or other nature discovered?

3. Have any investigations been carried out by the Royal Canadian Mounted Police in British Columbia to find out if any military training is being undertaken by any group or groups of individuals, other than Canadians?

4. Have any investigations been carried out by the Royal Canadian Mounted Police in British Columbia with a view of finding out how many Chinese and Japanese have entered, or were resident in Canada illegally?

5. If so, what are the numbers of these nationals who have been found to be in this country illegally, giving the numbers of each?

6. What are the total numbers of persons entering Canada for the first time during the calendar year 1937 from each of the following countries: Italy, Germany, Sweden, Roumania, Russia, China, United States, Japan, England, Northern Ireland and Scotland?

7. What were the total numbers of those leaving Canada during the calendar year 1937 and going to the above mentioned countries?

Mr. RINFRET: Return tabled.

AGRICULTURAL PRODUCTION AND PRICES

Mr. LACOMBE:

1. What were the production and prices of vegetables in the province of Quebec during the years 1931, 1932, 1933, 1934, 1935, 1936, and 1937?

2. What was the total value of the agricultural production in Canada during the same years?

PORT CREDIT, ONT., HARBOUR IMPROVEMENT WORK

Mr. GRAYDON:

1. What work, if any, was done by way of improving harbour facilities at Port Credit during the year 1937?

2. Upon what dates in 1937 was said work carried on?

3. What was the total cost of said work?

4. Was the said work intended to be the first stage in a general scheme of harbour improvement at said port?

5. Will further harbour improvement work at Port Credit be done during the year 1938?

Mr. RINFRET: Return tabled.

CANADIAN EXPORTS AND IMPORTS OF FRESH FRUITS

Mr. LENNARD:

1. What was the approximate value of fresh fruits exported to the United States from Canada during the twelve months ending December 31, 1937?

2. What was the value of fresh fruits imported from the United States into Canada, exclusive of oranges, grapefruit, bananas, lemons and limes, during the same period?

NIAGARA RIVER IMPROVEMENTS

Mr. CHURCH:

1. What sums of money have been spent on the Niagara river (an international stream) during the past three years, either alone or in conjunction with the United States or jointly with the province of Ontario, to protect by auxiliary works, the power companies on the Canadian side from damages in winter time by ice jams and ice bridges, or on other aids to navigation there, or on safeguarding works?

2. Has any action been taken, either alone or with the United States, to erect precautionary works in the river to safeguard the people's power supplies from said ice conditions, and have any surveys been made?

3. Has the government secured any modern ice-breaking ships or equipment on the upper and lower Niagara river where it is navigable, to help break the ice jams on the navigable portions of the river, as a safety measure?

4. Under the Navigable Waters Protection Act, has the government taken any action, either jointly with the United States or alone, to immediately remove the falls river observation bridge which fell into the river on the 29th of January? If so, what action has been or will be taken?

5. Has any progress been made with the United States government in negotiations to improve the scenic beauty of the falls and secure more power from the river for both countries?

6. Since the complaints made in Hansard 1935, 1936 and 1937 to the Minister of Public Works to remove a two-mile sand-shoal at the mouth of the Niagara river at lake Ontario, what action has been taken to remove this danger to navigation?

7. Has the government taken any action in western Ontario on the Grand, Thames rivers, to protect these districts from floods, and also at Port Hope, and, if so, what has been done?

8. Have any votes been passed for the Niagara river (Fort Erie to Chippawa) for docks ice protection works or aids to navigation?

SASKATCHEWAN PULP EXPORTS

Mr. PERLEY:

What amount of pulpwood has been exported from Saskatchewan to the United States from January 1 to December 31, 1937?

[Mr. Graydon.]

SASKATCHEWAN FEDERAL RELIEF

Mr. PERLEY:

1. How many rural municipalities are there in the province of Saskatchewan, in the 100 per cent federal relief area?

2. How many rural municipalities are there in the semi-federal relief area in the province of Saskatchewan?

3. What was the cattle population in the 100 per cent federal relief area in Saskatchewan prior to August 1, 1937?

4. How many head of cattle were shipped from the said 100 per cent federal relief area since August 1, 1937, to December 31, 1937?

5. How many head of cattle were shipped from the semi-federal relief area in the province of Saskatchewan between August 1 and December 31, 1937?

TRANS-CANADA AIR LINES—MANAGEMENT

Mr. PLAXTON:

1. Who are the present directors of Trans-Canada Air Lines, giving names and experience, in the direction and/or management of an aviation transport company?

2. Who are the present officers and employees of Trans-Canada Air Lines, giving names, nationality, experience, in the performance of their respective duties, and respective terms of employment?

3. (a) What persons, if any, have been discharged by the Trans-Canada Air Lines, giving names, nationality, and experience, in the performance of the duties for which they were originally hired? (b) For what periods were they respectively in employment, and what reasons were given for their discharge? (c) What expenditures did the Trans-Canada Air Lines and/or the said discharged employees make in connection with their employment, and were the said discharged employees reimbursed on discharge?

4. (a) What expenditures have been made by Trans-Canada Air Lines for various types of equipment? (b) What equipment, if any, has remained unused or since been discarded owing to obsolescence?

5. (a) What aircraft have been purchased or contracted for by Trans-Canada Air Lines, giving year of manufacture, date of order, from whom purchased, and prices paid or agreed upon? (b) Were any commissions or profits, other than manufacturers' profits, paid or agreed to be paid, and to whom? (c) Were machines obtained at factory prices, and how do prices compare with prices paid by American transport companies? (d) Have the type or class of any of the aircraft purchased, or agreed to be purchased, by Trans-Canada Air Lines been involved in any recent air disasters in the United States as a result of which inherent defects have been discovered resulting in the said type or class of plane having been grounded, either in Canada or the United States?

6. Is the Vancouver-Seattle service being operated at a profit or loss, and what is the extent of such profit or loss?

7. (a) What are the standard dimensions of the existing Trans-Canada Air Lines flying fields, or fields to be used by Trans-Canada planes? (b) Are such flying fields large enough to accommodate the new types and kinds of aircraft which will use them in the near

future? (c) Are such fields to be maintained for wheel or ski use, or both? (d) What provision, if any, has been made to equip all Trans-Canada aircraft with skis for winter flying? (e) Have skis been ordered as part of the equipment of Trans-Canada planes?

8. As from the date of the incorporation of Trans-Canada Air Lines, what expansion has been made in the meteorological services to meet the needs of the expanded air service?

9. Does the Trans-Canada Air Lines propose to operate any feeder or branch lines? If so, what line or lines?

10. Does the Trans-Canada Air Lines propose to invite the participation of private capital in its operation and/or the advice and assistance of Canadians who possess proven administrative and executive skill in the management of aviation transport companies?

11. When will the proposed amendments to existing air regulations be made effective, and will the said regulations, in their amended form, provide for a Canadian certificate of air worthiness?

12. Have Trans-Canada Air Lines let any contracts for the construction of hangars or any other buildings? If so, were the said contracts let on the basis of public tender, and who, or what firms or companies, were awarded the said contracts, giving their respective chief places of business?

13. Have any contracts of insurance been let by Trans-Canada Air Lines? If so, what coverage, to what companies, and through what agents, giving their respective chief places of business?

HUDSON BAY WATERSHED DIVERSION

Mr. MacNICOL:

1. Has the federal government given authority to: (a) the Ontario government, or (b) the Ontario hydro electric power commission, to divert water from the Hudson bay watershed to (1) the St. Lawrence river, or (2) the great lakes?

2. Is it still considered that the permission of the dominion is required before waters flowing into the Hudson bay may be legally diverted to the St. Lawrence watershed?

3. Has the government of Canada undertaken or agreed to pay the whole or any part of the cost of the construction of a dam on (a) the Kenogami river, or (b) the Ogoki river?

GERMAN COMPENSATION TO CANADIAN WAR PRISONERS

Mr. BLACKMORE:

1. At the close of the great war, was there a definite sum of money paid by the German government to the Canadian government to be used as a compensation to Canadian war prisoners for the damage to health, life and property, which they had sustained through German treatment?

2. If so, how large was this sum of money?

3. When was it paid to Canada?

4. To whom was it paid?

5. What was done with it?

6. What was done to compensate Canadians who had suffered from German imprisonment?

Mr. RINFRET: Return tabled.

ROYAL COMMISSION ON PENITENTIARY REFORM

Mr. EDWARDS:

1. What is the total cost to date of the royal commission on penitentiary reform?

2. What are the rates of pay and allowances (travelling and living) made to each commissioner and the amounts paid to date to each commissioner, by name, under these or other heads?

3. What are the rates of pay and allowances of any kind to counsel and assistant counsel of the commission, and the amounts paid to date to each such official, by name, under these or other heads?

4. What is the total cost to date for, (a) secretarial assistance; (b) clerical assistance; (c) preparation of stenographers' report of proceedings of the said commission?

5. How many days did the commission sit to hear evidence, and how many days were spent in travelling?

6. How many witnesses were called by the commission, and what was the total amount paid for their appearance before the commission?

7. What is the total number of people employed by this commission, and total cost per month?

ROYAL COMMISSION ON WHEAT MARKETING

Mr. EDWARDS:

1. What is the total cost to date of the royal commission on wheat marketing?

2. What are the rates of pay and allowances (travelling and living) made to the commissioner, and the amount paid to date to said commissioner?

3. What are the rates of pay and allowances of any kind to counsel and assistant counsel of the commission, and the amounts paid to date to each such official, by name, under these or other heads?

4. What is the total cost to date for, (a) secretarial assistance; (b) clerical assistance; (c) preparation of stenographers' report of proceedings of the said commission?

5. How many days did the commission sit to hear evidence, and how many days were spent in travelling?

6. How many witnesses were called by the commission, and what was the total amount paid for their appearance before the commission?

ROYAL COMMISSION ON TEXTILE INDUSTRY

Mr. EDWARDS:

1. What is the total cost to date of the royal commission on the textile industry?

2. What are the rates of pay and allowances (travelling and living) made to each commissioner, and the amounts paid to date to each commissioner, by name, under these or other heads?

3. What are the rates of pay and allowances of any kind to counsel and assistant counsel of the commission, and the amounts paid to date to each such official, by name, under these or other heads?

4. What is the total cost to date for, (a) secretarial assistance; (b) clerical assistance; (c) preparation of stenographers' report of proceedings of the said commission?

5. How many days did the commission sit to hear evidence and how many days were spent in travelling?

6. How many witnesses were called by the commission, and what was the total amount paid for their appearance before the commission?

Mr. LENNARD:

1. Who are the members of the royal commission on the textile industry? What are their vocations, and what experience, if any, has each member had in business within the textile trade?

2. What counsel were employed by the commission? What fees and expenses were paid to each of them?

CANADIAN DAIRY PRODUCTS

Mr. LACOMBE:

1. What was the total value of dairy products produced in Canada during each of the years 1931, 1932, 1933, 1934, 1935, 1936, and 1937?

2. What was the total value of cheese exported from Canada during each of the same years?

TORY COAL COMMISSION

Mr. CHURCH:

1. What was the total cost of the Tory coal commission, and what amount was paid to the commissioner, and other chief officials and counsel?

2. What did they find or report?

3. Have any of their recommendations been carried out or acted on?

4. Have any prosecutions been started as a result of this report?

5. Did the said commission investigate the spread in prices per ton from $5.50 in 1906 to $14.50 and $13.50 in 1937-38?

6. Did the commission investigate the idea of a national fuel policy for Canada so that all fuel used in Canada should be mined and coked under the British flag, whether from Wales, the maritimes or Alberta?

7. What recommendations in the report, if any, were made to protect the consumer?

8. How many tons of maritime coal of various kinds were transported by rail, or rail and water, to the head of the lakes, (a) in 1936; (b) in 1937?

9. (a) How many tons of American anthracite, and (b) how many tons of soft coal were imported into Canada during the last year of record?

10. How many tons were imported, (a) from Wales; (b) from Russia; (c) from Germany, during the same period?

VEGETABLE SHIPMENTS FROM ONTARIO TO THE DROUGHT STRICKEN AREAS

Mr. GRAYDON:

1. How many carloads of fresh vegetables were purchased from growers in Ontario by the dominion government for shipment to the drought stricken areas of western Canada during the year 1937?

2. What was the total paid by the government for the said shipments?

3. From what local districts in the said province were vegetables so purchased?

4. How many carloads of vegetables were purchased from each of such local districts?

5. How many carloads were purchased from vegetable growers in the county of Peel?

QUEBEC SUPERIOR COURT JUDGESHIPS

Mr. GARIEPY:

1. Since the year 1921, how many persons were appointed judges of the superior court of the province of Quebec, and upon what dates were such appointments made?

2. What were the names, surnames, ages, and domiciles of the said appointees?

DEPARTMENT OF NATIONAL DEFENCE—NAVAL EXPENDITURES

Mr. GARIEPY:

1. Of the vote of $35,000,000 for the last financial year, for the Department of National Defence, how much has been expended, and if there be a balance left over, in what way will it be employed?

2. During the last financial year, has the Department of National Defence purchased vessels of any kind, and, if so, from whom, how many, and what was their cost?

3. Since these vessels were purchased, where were they operated, under whose direction, and under whose command?

4. Since the acquisition of these vessels, have they been grouped with others as part of a squadron, and, if so, what was the nature of the group, in what waters, and for how long?

5. Where are these vessels at present, what is their number and their names, and under whose orders do they conduct their operations.

SPECIAL COMMISSIONS APPOINTED SINCE OCTOBER, 1936

Mr. WALSH:

1. How many special commissions have been appointed by the present government since October, 1936?

2. By what special names are each of these commissions regularly known?

3. What is the date, or dates, of the appointment of each?

4. What are the names of each member of each such commission?

5. What salary, remuneration or emolument did each receive?

6. What other allowance or travelling expense did each receive?

7. What are the names of the counsel appointed to or engaged by each commission?

8. What salary, remuneration or emolument did each receive?

9. What other allowance or travelling expense did each receive?

10. What additional expense did each commission incur, or if final report not yet presented has commission incurred to date?

ST. LAWRENCE DREDGING CONTRACTS

Mr. GARIEPY:

1. What contracts were given since January 1, 1937, for dredging the St. Lawrence river between the cities of Montreal and Quebec?
2. To whom were such contracts awarded, at what prices and for what operations?
3. Were tenders called for in each case?
4. If so, what were the names of the various tenderers and the amount of their respective tenders?

COST AND USE IN CANADA OF CANADIAN AND IMPORTED COAL, 1935-37

Mr. POOLE:

1. How much coal was imported into Canada in (a) 1935, (b) 1936, (c) 1937; from what countries was it imported, what were the grade or type of coal, and the prices laid down in Canada?
2. What were the wholesale and retail prices of imported coal in eastern Canada?
3. What were the wholesale and retail prices of Alberta coal in eastern Canada?
4. How much money was paid in coal subsidies?
5. How much coal was used in these years by the Canadian Pacific Railroad, the Canadian National Railroads, and other Canadian railroads, respectively?
6. How much imported coal was used by the Canadian Pacific Railroad, the Canadian National Railroads and other Canadian railroads, respectively?

SCRAP METAL AND NICKEL PRODUCTION, 1935-37

Mr. POOLE:

1. How much scrap metal was exported from Canada in 1935, in 1936, and in 1937?
2. How much scrap metal did Canadian railroads sell during the said years, and to whom in Canada, and if exported, to what countries?
3. What was the total amount of nickel and necessities for armaments produced in Canada during the same years?
4. How much nickel was exported, and to what countries?
5. What was the total profit from the production of nickel?
6. What taxes are paid by the International Nickel Company in Sudbury?

SALE OF GOVERNMENT VESSELS

Mr. PARENT (Quebec West and South):

1. Has the government sold any vessels during 1937?
2. If so, (a) how many vessels, dredges, etc., were sold; (b) what were the names of each; (c) the dates of their construction; (d) the cost of construction or purchase price; (e) the length of time each was in operation since the date of construction; (f) the amount expended on each for repairs while in government service; (g) the number of employees on each of the vessels sold?
3. To whom were they sold; stating (a) the name of the purchaser or purchasers, and if a company, its name and the names of its directors; (b) the amount paid by the purchasers?

NATIONAL HARBOUR COMMISSION

Mr. PARENT (Quebec West and South):

1. How many civil engineers are employed by the National harbour commision?
2. What are their names, salaries and their respective duties?
3. How many persons were in the employ of the harbour commission of Quebec on the 1st December, 1935?
4. How many were there employed on the 1st December, 1937?
5. How many vessels carrying grain were loaded during the years 1935, 1936 and 1937 at the elevators at (a) Halifax, (b) Saint John, (c) Quebec, (d) Three Rivers, (e) Sorel, (f) Montreal?

POPULATION AND RAILWAY MILEAGE

Mr. BOULANGER:

According to the latest statistics, what is: (a) the present population of each province of Canada; (b) the railway mileage in each province; (c) the number of inhabitants per railway mile in each province; (d) the percentage of population of each province with respect to the total population of Canada; (e) the percentage of railway mileage in each province in proportion to the total railway mileage in the dominion?

FEDERAL GRANTS TO PROVINCES

Mr. BLANCHETTE:

What is the total amount of federal grants to the several provinces, respectively, for the fiscal years 1935-36, and 1936-37?

HYDRO-ELECTRICAL ENERGY

Mr. BOULANGER:

According to the latest statistics, (a) what amount of hydro-electrical energy has been developed in each of the provinces of Canada; (b) what quantities of such energy are now being utilized; (c) what is the maximum quantity of power that can be developed in plants completely or partially harnessed; (d) what quantity of power can be developed from sources not yet harnessed; (e) what quantities of power can be produced and utilized in Canada on a paying basis and under present conditions from sources not already harnessed; (f) what quantities of power, is it estimated, could be produced and utilized fifty years hence from the different sources in Canada not yet harnessed?

Mr. RINFRET: Return tabled.

FEDERAL PAYMENTS FOR DIRECT RELIEF

Mr. BOULANGER:

What amounts have been paid by the Federal government to each province from April 1, 1936, for what is called "direct relief" to unemployed, to farmers and to indigent fishermen?

Mr. RINFRET: Return tabled.

ITALO-ETHIOPIAN WAR—SANCTIONS

Mr. CHURCH:

1. On what date were sanctions agreed to and put into effect by Canada against Italy because of Italy's invasion of Ethiopia?

2. When were sanctions withdrawn by Canada?

3. Will the text of (1) and (2) be laid on the table of the house?

4. Has Canada approved or been asked to approve of the conquest of Ethiopia by Italy?

5. Has Italy or the government of Great Britain asked Canada's approval?

6. Will all communications relating to questions four and five be laid on the table of the house?

Mr. MACKENZIE KING: This stands as an order for return, tabled herewith. I am asking that the question should be made an order for a return because there is an order in council attached to the answer which I am anxious to table.

MARKET GARDEN PRODUCTS—EXPORTS AND IMPORTS

Mr. LENNARD:

1. What was the approximate value of the market garden products exported to the United States during the twelve months ending December 31, 1937?

2. What was the value of market garden products imported into Canada from the United States during the same period?

3. What proportion of this amount was imported into Ontario?

4. What was the approximate value of the same production of this produce in Canada during the same period?

5. What proportion of this amount was produced in Ontario?

EXPENDITURES ON LEVEL CROSSINGS

Mr. CHURCH:

1. On what level crossings in Canada was: (a) the grade crossing fund expended; (b) the special million dollar 1937 vote for that purpose expended?

2. Will the minister give the house details of expenditures in each case?

Mr. HOWE: Return tabled.

MOTIONS FOR PAPERS

BRITISH NORTH AMERICA ACT AMENDMENT—CORRESPONDENCE

Mr. BOULANGER:

For a copy of all correspondence between the Prime Minister of Canada and the several provincial ministers bearing on the proposal to amend the British North America Act to create a federal system of insurance against unemployment.

[Mr. Rinfret.]

BURLINGTON CHANNEL—SOUTH PIER

Mr. LENNARD:

For a copy of all papers, letters, telegrams, specifications and other documents in the possession of the government with respect to reconstruction of south pier, Burlington channel, during the years 1936 and 1937.

SALE OF ANTICOSTI ISLAND

Mr. CHURCH:

For a copy of all correspondence, orders in council, letters, telegrams and other documents exchanged between the government of Canada or any official thereof and any other persons relating to the sale of Anticosti island, or any part thereof, or of its natural resources.

Mr. MACKENZIE KING: Mr. Speaker, in the correspondence referred to in this motion there are some documents which are of a confidential nature and which I do not think it would be proper to have placed on the table. Subject, however, to communications of that nature not being tabled, the government has no objection to the motion being carried.

WEST TORONTO CUSTOMS OUTPORT

Mr. AHEARN (for Mr. Mulock):

For a copy of all correspondence, instructions and recommendations in connection with the establishing of the West Toronto customs and excise outport as an independent port.

CHILLIWACK, B.C., AIRPORT

Mr. BARBER:

For a copy of all papers, letters, telegrams and other documents exchanged between the government of Canada or any minister or officer thereof, and any other persons, relating to the establishment of an airport or emergency landing field at or near Chilliwack, British Columbia.

CANADIAN WHEAT BOARD

Mr. PERLEY:

For a copy of all orders in council passed under the provisions of the Canadian Wheat Board Act, 1935, since August 1, 1936.

Mr. PERLEY:

For a copy of all letters, telegrams and other documents passing between the Minister of Trade and Commerce or the wheat committee of the cabinet or any member thereof and J. R. Murray, between November 1, 1935, and December 31, 1935, with respect to Mr. Murray's appointment as chairman of the Canadian Wheat Board.

GRAIN INQUIRY—CORRESPONDENCE

Mr. PERLEY:

For a copy of all letters, telegrams and other documents passing between the Minister of Trade and Commerce or his deputy and commissioner Mr. Justice Turgeon, between April 1, 1937, and July 31, 1937, with respect to the grain inquiry.

And also copy of all letters, telegrams and other documents passing between the Minister of Trade and Commerce or his deputy and Colonel J. L. Ralston, counsel for the grain inquiry, between April 1, 1937, and July 31, 1937, with respect to the said grain inquiry.

WHEAT STATISTICS

Mr. PERLEY:

For a return showing: (a) complete details of that portion of the 1935-1936 wheat crop disposed of by the Canadian Wheat Board between July 31, 1936, and December 31, 1937; (b) complete details of the disposal by the Canadian Wheat Board of wheat acquired from the Canadian Cooperative Wheat Producers Limited, from July 31, 1936, to December 31, 1937.

Mr. PERLEY:

For a return showing: (a) a detailed statement of all copies of cash broker's notes of sales made to the Canadian Wheat Board since January 1, 1937, to date; (b) a copy of all cash broker's notes of all sales made by the Board from January 1, 1937, to date; (c) the names of brokers and clearing sheets of options, bought or sold, since January 1, 1937, to January 1, 1938.

Mr. PERLEY:

For a detailed statement showing the number of bushels of open trades or interest of the Wheat Board during September 28, 29, 30 and October 1, 2, 3, 4 and 5, 1937.

Mr. PERLEY:

For (a) statement or report showing amount of Durum wheat bought and sold since July 31, 1937, to date, and the price bought and sold at; (b) statement showing amount of sales of Durum wheat to Italy, and amount of sales of Durum wheat to United States, since January 31, 1936, to date.

Mr. MACKENZIE KING: Mr. Speaker, with regard to these four motions, possibly the hon. member for Qu'Appelle (Mr. Perley) would allow them to stand until the Minister of Trade and Commerce (Mr. Euler) is in the house.

Mr. PERLEY: That is quite all right.

Motions stand.

PRAIRIE FARM REHABILITATION ACT

Mr. BLACKMORE:

For a copy of all correspondence exchanged between the Minister of Agriculture of Canada and the Alberta Department of Agriculture, from March 3, 1937, to date, bearing upon the negotiations between the dominion and Alberta governments concerning the application in Alberta and Saskatchewan of the Prairie Farm Rehabilitation Act.

CANADIAN CORONATION CONTINGENT

Mr. BROOKS:

For a return showing the name, rank, militia unit and post office address of each member of the Canadian coronation contingent.

WEST TORONTO OUTPORT

Mr. GREEN (for Mr. Ross, St. Paul's):

For a copy of all orders in council and all communications between the government or any department thereof, and any other person or persons, containing information or request or recommendations with reference to the change of the out-port of West Toronto to the Port of West Toronto.

ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

Mr. PERLEY (for Mr. Edwards):

For a return showing,—1. The total cost to date of the royal commission on dominion-provincial relations.

2. The rates of pay and allowances (travelling and living) made to each commissioner and the amounts paid to date to each commissioner, by name, under these or other heads.

3. The rates of pay and allowances of any kind to counsel and assistant counsel of the commission, and the amounts paid to date to each such official, by name, under these or other heads?

4. The number of (a) secretaries; (b) economic or other advisers; (c) clerical, stenographic and other assistants who are or have been in the employ of the said commission, and the total cost to date for their services, and total number of employees.

5. The number of days the commission sat and heard evidence and the number of days spent in travelling.

6. The number of witnesses called by the commission and the total amount paid for their appearance.

BROADVIEW, SASK., AIRPORT

Mr. PERLEY:

For a return showing all details with respect to the purchase of the airport south of Broadview in the province of Saskatchewan, such return to include the price paid, the names of the vendors and the amount of money spent in making the field ready for operation.

NATIONAL DEFENCE—CONTRACTS

Mr. BENNETT:

For a copy of all contracts made by or for the Department of National Defence from the beginning of the present fiscal year (April 1, 1937) to date, as well as a copy of all tenders with respect to each such contracts.

Mr. MACKENZIE (Vancouver): With reference to this resolution of the right hon. leader of the opposition there is no objection whatever on the part of the government to this order passing. But I should like to point out that according to the information I have received from the department, 5,842 contracts were awarded during the first nine months of the fiscal year, and the estimate is that it will take a staff of twenty a period of six months to prepare the return that is asked for.

Might I suggest to my right hon. friend that I would be very willing indeed, if he would be good enough to specify any particular contracts, to get the information as soon as possible. I would suggest also to members of the house that in order that information may be made readily available to all members, all these contracts, or as many of them as may be considered necessary, should be referred to the public accounts committee.

Mr. BENNETT: They cannot be referred to the committee on public accounts until the public accounts have been published in the auditor general's report for the next year. The present public accounts are brought up only to the end of March, and that is the reason for the motion now before the house. Perhaps if the contracts exceeding $5,000 were to be brought down, that would include those in connection with which I desire the information.

Mr. MACKENZIE (Vancouver): I am informed that for the same period the number of contracts exceeding $5,000 is 278. I was quite aware of the situation with regard to the public accounts committee, but I thought that might be done by motion with the consent of the house.

TWEED, ONT., POST OFFICE SITE

Mr. GRAYDON:

For a copy of all orders in council, telegrams, letters, correspondence and documents of any kind in the possession of the government, relating to the acquisition of a site for a post office at Tweed, Ontario.

DREDGING FLEET—SALES

Mr. LAPOINTE (Matapedia-Matane—for Mr. Parent, Quebec West and South):

For a copy of all correspondence exchanged between the government and the purchaser, relative to the sale of a portion of the dredging fleet belonging to the government, including barges, dredges, etc., and also copy of contracts entered into by the government and the purchaser.

[Mr. Bennett.]

CANADIAN BROADCASTING CORPORATION CONTRACTS

Mr. CAHAN (for Mr. Lawson) moved:

For a copy of all contracts made since November 1, 1937, to date, by the Canadian Broadcasting Corporation or any of its agents on its behalf, with any persons or corporations or the agents of any such persons or corporations for the use of Canadian Broadcasting Corporation stations or chains for broadcasting commercial programs containing advertising originating in the United States, and copies of all papers, letters, telegrams or other documents relating thereto.

Mr. HOWE: The government must decline to produce these papers, for the reason that to do so would be contrary to the public interest. The Canadian Broadcasting Corporation is an autonomous body, independent of the ministry of the day as to its internal affairs, and in that regard it is on an exact parallel with the Canadian National Railways. Hon. members are aware that the government does not answer questions in the house relating to the internal management of the Canadian National Railways. A committee of the house brings before it the management of the railway with all documents of interest to hon. members, and the management gives such explanations as are required.

The government is willing to set up a similar committee for radio, but it does not believe it to be in the public interest to produce in the house documents relating to the internal management of the broadcasting corporation.

Mr. SPEAKER: Dropped.

Mr. BENNETT: No; far from it. If the Minister of Transport would be good enough to read the statute creating the corporation he will observe that it lives on money provided by the people of Canada, either through licence fees or by direct subventions from the government. Surely we have a right to know what those who receive such money are doing with it, it being the sole purpose of the organization to expend the moneys voted by parliament for the purposes indicated in the statute.

The hon. member under whose name the notice of motion stands is not in his seat, and if the motion were allowed to stand until he is in his place I think it would serve a useful purpose. This is a question of prime importance to the people of Canada. If what is suggested can be done, then the people's money can be spent by an irresponsible body, without parliament having any control. We might as well look the matter squarely in the eye.

Mr. MACKENZIE KING: Is my right hon. friend aware that the motion is not debatable?

Mr. BENNETT: It is marked with an asterisk.

Mr. MACKENZIE KING: If there is to be a debate on the subject it should be transferred to notices of motion, where it may be taken up in regular order. The asterisk opposite a notice of motion for the production of papers signifies simply that the matter is not one for debate.

Mr. BENNETT: It is the other way about in some matters.

Mr. MACKENZIE KING: Yes.

Mr. SPEAKER: Will it be transferred?

Mr. LAPOINTE (Quebec East): No; just permit it to stand until the hon. member is in the house.

Motion stands.

CIVIL SERVICE—EMPLOYMENT OF MORE THAN ONE MEMBER OF SAME FAMILY

Mr. BETTS:

For a return showing—The number of cases and particulars in connection with each case, in which (a) more than one member; (b) more than two members; (c) more than three members; (d) more than four members; and (e) more than five members of the same family, including in the term family, husband, wife, son and daughter, are employed in the civil service of Canada.

Mr. RINFRET: If this order should be passed in the form proposed by the hon. member it would involve having a questionnaire submitted to every civil servant in Canada. The personnel records of each department are kept separately, and information such as that sought by the hon. member is not available in the records kept by any department. In a case where two members of a family were employed in the same department, the information might be obtained with a certain degree of speed and accuracy, but if a father should be employed in one department and three sons in three other departments, the only way by which the information could be obtained would be by having each civil servant fill out a form.

There are between fifty and sixty thousand persons in Canada employed in one capacity or another by the dominion government. The expense of printing a questionnaire, sending a copy of it to each of these employees, and then tabulating the information received, would be very great. I may add, however, that the government has some sympathy for the object obviously sought by the hon. member, and although we cannot permit the motion to pass, due to the great difficulties and costs involved, I suggest it is a matter which might well be discussed when civil service matters are before either the house or a committee of the house.

Motion dropped.

NATIONAL HARBOURS COMMISSION

Mr. LAPOINTE (Matapedia-Matane—for Mr. Parent, Quebec West and South):

For a copy of all correspondence and other documents exchanged between the National Harbours Commission and any person or persons, during the years 1935, 1936 and 1937, with respect to obtaining grain for the elevators at Halifax, Saint John, Quebec, Three Rivers, Sorel and Montreal.

Mr. BENNETT: I think the hon. member means "for shipment through elevators at Halifax," does he not?

Mr. LAPOINTE (Quebec East): Yes.

Motion agreed to.

A CANADIAN FLAG

PROPOSAL FOR ADOPTION OF A FLAG SYMBOLIC OF CANADA AND HER PARTNERSHIP IN THE BRITISH EMPIRE

Mr. CAMERON R. McINTOSH (North Battleford) moved:

That, in the opinion of this house, a special select committee be appointed for the purpose of considering the advisability of adopting a distinctive Canadian flag, representing Canada as a whole, thereby symbolizing the dominion senior partner in the British commonwealth of nations.

He said: Mr. Speaker, the resolution appearing on the order paper in my name is one sponsoring a recognized distinctive flag for our dominion—Canada our homeland, a senior partner in the British Commonwealth of Nations.

To all intents and purposes, at the present time Canada is a sovereign state, or a sovereign nation within a sovereign empire, and because Canada occupies such a proud position, I think it only right that this resolution be brought before the house. Of course limitations still exist to a certain extent in connection with the constitutional development of our dominion, but they are largely fragmentary, or exist only in the imagination. They will disappear, as other limitations have disappeared down through the years, through the advancement of constructive Canadian democracy.

Therefore, the resolution for a distinctive flag for Canada is one which rightly asks that a distinctive emblem be established for our

new nation of "The North." The resolution may be considered from two angles of reality, first the thought back of it and, second, the clothing of that thought in suitable form. Structurally, the resolution is but a single sentence, a sentence so concise, simple and plain that he who runs may read and understand. Creators in every realm of artistic thought will readily understand what these words mean, since throughout the ages the problem relative to the production of high class art, whether in the sphere of prose, poetry, sculpture, philosophy or economics, has always been one of a twofold nature: first, the marshalling into the realm of time and space, a noble, splendid and enduring thought, and, second, the clothing of that thought in suitable form. The problem before the house in regard to a distinctive national flag is somewhat similar.

First, we must come to a conclusion with regard to the subject matter back of this undertaking or problem. Then we shall have to take the subject matter and give it external form or symbolize it in such a way that the flag created will appeal to Canadians from ocean to ocean. Naturally the subject matter must not apply to merely any one province; it will have to be broadly national, that is, comprehensive enough to include within its fold the many geographic belts of territory which make up the dominion.

After the subjective part of the problem is solved, the next thing to be done—as we have explained—is to give to the subject matter a suitable form, thus symbolizing Canadian justice, Canadian civil liberty, Canadian ordered freedom and Canadian soul and honour, not only at home and on the continent but throughout the world. First, then, there must be settlement by hon. members of this chamber of the subjective side of the problem of a distinctive national flag. After that is done, the subject matter will have to be so symbolized that a national emblem will come into being that will preeminently stand for Canada at home and abroad.

The resolution is made up of or determined by four essentials. It will be observed that the first essential is that the opinion of parliament shall be obtained, by debate or discussion, so that the matter of the adoption of a national symbol may be fully reviewed. The second essential is that a special committee, made up of members of all parties and groups, a committee representing the combined opinion of the house, shall be appointed for the purpose of considering the advisability of adopting a distinctive Canadian flag. The third essential of the resolution is that the flag adopted shall be representative of Canada as a whole. The fourth essential is that the national emblem shall symbolize the equality of status of this dominion among the self-governing dominions of the empire.

It will be observed that we have said nothing in the resolution with regard to a particular design. We believe that the question of design may very well be left to a committee of the house. During the last ten years in which this resolution has been before parliament and the country we have received hundreds of designs. However, we believe the house as a whole is not the place to settle any particular design. That can better be done in committee. However, there is no reason why this flag question should not be discussed in a general way in the debate that will take place on this resolution. We should fully discuss the general principle behind the adoption of a distinctive flag for our country. The details can come later.

It will be observed also that the resolution is singular and not plural in meaning. That has been decided upon deliberately. My opinion is that when we settle the question of a national flag for the dominion, a national flag should provide a key to all other departmental flags, the national honour flag, the national memorial flag and other flags that a young nation like Canada should adopt as soon as possible.

Perhaps it might be well in discussing this flag problem to outline the history of the resolutions which have been placed before the house during the last ten years. In 1929 a resolution calling for a distinctive flag for this dominion was placed on the order paper by myself. That resolution was not reached during the session and consequently there was no debate. If we remember correctly, that session ended in June and at the end of the session the flag resolution was in consequence found in the file of unfinished business.

In 1930, a resolution of practically the same meaning and intent was placed on the order paper. However, that being an election year, the resolution was not reached. There was no debate and the matter was not discussed or analyzed or reviewed in any way. At the end of the session, like its predecessor, it too was found in the file of unfinished business.

In 1931, another resolution was placed on the order paper, and a brief debate thereon took place on May 25, which was empire day, a very good day upon which to bring up and debate such a resolution. The present official opposition were then in power, and at six o'clock the then Prime Minister, the present

leader of the opposition (Mr. Bennett), moved that the house adjourn. No further debate took place on the resolution that day and next day, on account of the adjournment, it was to be found far down on the order paper. No further debate on this resolution took place during the session.

In 1932, no action by way of resolution was taken. In 1933, another resolution was placed on the order paper. This was debated briefly and was then withdrawn by myself with the leave of the house. Hon. members will remember the conditions of financial and economic distress which existed in that year; they will recall the need for unemployment and farm relief, and because of these hampering conditions further discussion on this matter was, in our humble opinion, not in order at that time.

In 1934 the present official opposition were still in power and they took it upon themselves to do their best to get a national flag. we agreed with them in that undertaking. The result was that a resolution asking for the adoption of a national flag was moved by the then member for Nanaimo. Some debate took place on this resolution, but apparently some opposition had developed in the ranks of the government supporters. The then hon. member for Parry Sound, Mr. Arthurs, seconded by the then hon. member for Essex West, Mr. S. C. Robinson, moved the adjournment of the debate. The result was that no further discussion on this resolution took place during that year.

In 1935, the then hon. member for Nanaimo again presented a similar resolution to the house. After a brief debate, an amendment was moved to the resolution by the then hon. member for Parry Sound, seconded by the then hon. member for Carleton. A short debate took place on the main motion and on the amendment, but special controversy arose in the ranks of the government supporters with the result that, upon an intimation from the Secretary of State of that day, the mover of the amendment withdrew his motion first, and subsequently the mover of the main motion withdrew his resolution. So that settled the discussion of the flag problem in 1935. It will be noticed, Mr. Speaker, that during all these years practically no progress was made towards a solution of this problem.

In 1936, the present government had just come into power and no action was taken that year on a Canadian flag. Personally we thought the government should be given a chance to get down to its program and deal first with the outstanding economic and industrial problems confronting it. That was the stand we also took in 1937; but to-day, in 1938, this resolution is down on the order paper because two years of the life of this parliament have gone by, and we thought that perhaps this year would be an opportune time to bring the matter up, because undoubtedly the sooner it is settled the better it will be for Canada. It will mean dollars and business to this dominion. It will mean national respect at home and abroad, and the sooner Canada is recognized both at home and away from home by a suitable symbol, the better it will be for Canadian publicity, prosperity and nationhood, here and elsewhere. That is in brief the story of what took place in parliament. That is keeping the record straight during the last ten years, and it ought to be kept straight for future historians.

Again, let me ask what has taken place in this dominion since 1867 with respect to a national flag? Confederation is now about seventy-one years of age, and what is the story in this dominion of the fight, as we might call it, for an outstanding national symbol? We might claim that the movement for a national flag began away back in 1870, for it was on July 16, 1870, that the use of the blue ensign was authorized by the Secretary of State. That may be said to have started the fight in this country for a recognized national symbol. The blue ensign, as I said, was sanctioned on July 16, 1870, and it was to be flown by government ships other than warships. After the blue ensign was adopted in 1870, and its use did not seem to hurt or damage us nationally very much, Mr. Speaker, naturally the people of Canada would come to the conclusion that the time had come for a national emblem on land, and so what did they do? They did the best they could. Canadians are a very practical people, and they did what we would only expect them to do. They hoisted the red ensign on high, and they used the red ensign for years on the public buildings of this country, in Canada as it was Canada in those days, until 1904. So, from 1870 to 1904, we flew the red ensign defaced with the old coat of arms in the red part of the flag, in the fly. We used that red ensign for about thirty-five years on the public buildings of this country as our distinctive national emblem.

Then what happened in 1904? The pressure of imperialism and subordination took place, and the result was that when the red ensign was not on hand in this building—when the supply had run out—a civil servant told the Minister of Public Works of that day, the Hon. Mr. Sutherland, I think, that the right flag to fly was the union jack. The minister was thus taken into camp. And so the red ensign was hauled down and the union jack hoisted, and from 1904 the union jack has been

flying on all our government buildings from ocean to ocean. That is the story, nationally speaking, of the red ensign as a flag ashore from 1871 or thereabouts to 1938.

What is the situation in regard to a national flag in Canada at the present moment? The red ensign, which had been flown until 1904, and is flying still, is not officially recognized as a distinctive flag for Canada inside Canada, but lo and behold, Mr. Speaker, it is recognized as our official flag outside Canada. It is recognized as the Canadian flag on our legation buildings at Washington. It is recognized as our distinctive Canadian flag on our legation buildings in Paris, Tokyo and London. It is recognized abroad, but there is no recognition for it at home. The result is that from this combination of circumstances we have a confusion existing over our national emblem that, to say the least, does not merit the applause of any Canadian. The quicker that situation is remedied the better it will be for all concerned because a national emblem will be a powerful factor in building up a new nationality from coast to coast, and in uniting our people behind an emblem that signifies Canadian development through the past and aspirations of Canadians for the future.

That being the story of the red ensign on land, what is the story of the red ensign on sea? The red ensign is naturally a water flag, and yet thousands of Canadians use it to-day on land as a distinctive Canadian flag because they have no other. They are using it, mind you, in conjunction with the union jack, and that is quite right and proper. From confederation until 1892 we had no water flag, but in 1892 the Admiralty in London issued an order that from 1892 the red ensign, flying the old coat of arms of Canada in the fly, should be the commercial flag or the flag for our merchant marine vessels on the high seas. That flag is our flag to-day for every ship registered in Canada. This means that the red ensign on the water is in reality our commercial flag. It cannot rightly be used on both land and sea. We are using the same ensign on land simply because we have no distinctive national flag, and I submit, Mr. Speaker, that that is a peculiar condition of affairs to exist in a self-governing country like this dominion. I submit further that the sooner that situation is remedied the better for every real Canadian.

Now, what are we told by those who are opposed to a distinctive national flag for Canada? What arguments are advanced against a distinctive national emblem? One argument used against it, and a familiar one, is that it will dismember the empire; that it will sever our empire relations; that if we adopt a distinctive Canadian flag the Canadian confederation will dissolve. Well, it might dissolve in tears of laughter before an argument of that kind, but we do not think it would dissolve in fact. Then they tell us that if we adopt a distinctive national emblem we shall be discarding the union jack, and the union jack stands for justice, liberty and righteousness in national and international relations. Therefore we should not tolerate any movement against the use of the union jack. Let me say right here, Mr. Speaker, that no one is talking against the union jack; no one is opposing its use; no one wants to destroy it; no one wants to substitute another flag for the union jack. We all want the union jack as our flag of empire. But just the same we certainly want a distinctive emblem, a national flag for the dominion. We want to give Canada the flag representation she ought to have, not only in the empire, but throughout the world. So that argument, I think, disappears. It is based upon the idea that we are going to interfere with the union jack. Our opponents have built up their whole case on that foundation, and since the foundation does not exist the argument has no meaning and therefore should be dropped from this time onward.

Another argument against the adoption of a distinctive national flag is, we are told, because of the traditions surrounding the union jack. The union jack has great traditions. It belonged to my forefathers as much as it belonged to the forefathers of any other hon. member. We love it and prize it, and we call it our own. I am not as a Canadian so narrow-minded, however, as to intend, by adopting a national flag for my own country, to supplement the empire flag, any harm to the union jack. Down through the centuries great traditions have gathered around that flag. Those traditions, we are told, should be preserved. Well, they will be preserved as far as we are concerned, because the demand for a distinctive national flag has absolutely not anything to do with the supplanting of or doing away with the union jack.

We are also told that the union jack will unify the different nationalities making up our Canadian nationhood. That is true. We admit the argument; but if it is sound, a national emblem will do this much better, because it will be emblematic of our own country and will promote nation building within our boundaries and signify our position as a nation within the ambit of the British Empire and in the greater world without.

Further we are told that the union jack has a religious significance; that it stands for righteousness; that the holy crosses hold the most prominent place and stand for the redemption of mankind; that that is why they have been incorporated in the union jack; that the colours red, white and blue symbolize courage, sacrifice and purity, and that therefore there is a deep significance about the union jack, in that it reminds us of the blood of Emmanuel shed for our atonement, of His resurrection and ascension, assuring all who believe in Him of eternal life hereafter. These arguments used to uphold the union jack are wonderful arguments, and sound too, but they are no less applicable to the establishment for Canada of a distinctive national emblem equally as sacred as the union jack. I fail to see why such a flag would not mean the advancement and development of our country in a democratic and spiritual sense.

May I put on record some of the arguments presented for a national flag by the weekly and daily press of the nation? In my humble opinion they present the issue fully and emphatically, and the statements I shall quote are representative of the Canadian press from one coast to the other.

This is what the Winnipeg Free Press says on "Flags of the Commonwealth":

With the numerous flags, officially recognized, of the various parts of the British Commonwealth now being seen at Ottawa, the absurdity of opposition in Canada to the adoption of a flag of our own is very plain. Canada, which led the movement for constitutional freedom and whose government has been enamored of a "Canada First" policy, is the only member of the commonwealth which cannot use its official emblem on this occasion, and, for the sake of practical convenience, resorts to an irregularity.

Surely, after this conference the desire for a new Canadian flag will be unanimous.

I believe that the desire for a distinctive nationel emblem in Canada to-day is practically unanimous. There is a small though noisy opposition; I believe that we should not pay too much attention to it, but that we ought to go forward and make history in regard to this question. I quote the following from the Orillia Packet and Times, on "A Canadian Flag":

. . . But for our part we have never seen any reason why Canada should not have such a flag; and there are many reasons why, when inter-empire gatherings such as that at Ottawa are held, there should be some method of distinguishing the Canadian colours.

The inter-empire gathering referred to was that of the Empire Trade conference at Ottawa, 1932.

From the Hamilton Herald:

If prejudice could be put aside and reason were allowed to rule, it would be easy to make a compromise arrangement satisfactory to all parties.

Another statement, from the Toronto Daily Star:

The flag issue was not raised; it raised itself, and nothing could be more absurd than to suggest that under these circumstances the newspapers should say nothing about it. It is easily understood, however, that those newspapers which oppose a Canadian flag do not want it talked about on an occasion which so vividly illustrates the need of one.

The Winchester Press:

Candidly, we do not see why Canada should not have a flag that is at once British as well as Canadian. The governments of the dominions have adopted national flags. Why there should be any fuss about Canada having a flag that would be pronouncedly Canadian as well as British we cannot understand. This opposition to a "Canadian Flag" is silly sentiment and should not stand in the way of our government adopting a Canadian flag.

The Stratford Beacon Herald:

. . . If the Canadian people did decide to have a new flag it would mean doing away with the union jack as we have it now—

The old argument is used there, that we are going to destroy the union jack. There is not a word of truth in it.

—and there are many people in this country who would not care to do that—

I imagine there will be quite a number who would not want to do that.

—in fact many of them would not do it—

I am one who would not want to do it; and I am the mover of this resolution.

. . . and there would be no way to force unanimity of opinion and action.

We come to the Collingwood Bulletin.

Opposition to a distinctive flag has been based largely on a misunderstanding of the situation. Education on this subject is working towards a practically unanimous public sentiment on this subject.

From the Recorder and Times, Brockville:

The Expositor thinks that if an agreement could be reached whereby a Canadian device would appear on the union jack, it would promote an intenser spirit of patriotism and citizenship, not only for the dominion, but for the empire. Canadians, it says, are surely not afraid of an emblem that would characterize the flag as their own.

Another statement, from the Brockville Recorder:

Why should there not be equal approval of the institution of a Canadian national flag to fly on land? Mr. Chamberlain probably wonders. So do a great many others, who are quite unable to fathom the reasoning of those who object to such a proceeding.

The Kingston Whig-Standard:

There is no reason why Canada should not have its own distinctive flag. It will make us no less loyal and no less a part of the British Empire.

The Perth Courier:

There is no thought either in any Liberal's or Conservative's brain to do away with the time-honoured union jack in our national flag. We all love the old flag and its Christian three-cross design too well to abandon it for any other. No other flag has so wonderful a history or has earned so loving a tribute from its far-flung peoples as this emblem of the empire; and so we in Canada must honour this feeling and all the sentiments involved by retaining in the most prominent corner of any flag that may be adopted this old union jack with its historical and fond memories.

The London Advertiser, which has consistently upheld the proposal for a distinctive national flag, has this to say:

The present flag situation is so ridiculous that it is a wonder self-respecting Canadians can be found to defend it. Prime Minister Bennett is using the Canadian flag on his own motor car at Ottawa so that it will not be mistaken for a British delegation car during the imperial conference. The delegates from every other dominion have brought their national flags, and they must be surprised and amused at the absence of any flag to denote the greatest dominion of all. The opposition to the official recognition of the Canadian flag on Canadian soil is just a piece of silliness of which Canadians should be ashamed. It lends itself to annual twelfth of July oratory, but even the Attorney General of Ontario has been fed up on it, and he presented the commonsense view to his fellow Orangemen at the last celebration.

The London Advertiser further states:

Only Canada, among the dominions, has no distinctive Canadian emblem, except—and this is the ridiculous paradox—one which is flown only overseas, or on the high seas. If all Canadians knew this the opposition to the movement for a Canadian flag would be dissolved in laughter.

This is one from the Orange Sentinel which I think I should read:

They refer—

"They" means those who advocate a distinctive national flag.

They refer to Australia, to South Africa, and the Olympic sports. Canada has the Canadian ensign which serves the purpose of her merchant marine at sea, and we have yet to see a strong argument that any Canadian is embarrassed by the Union Jack flying over the Canada house in London, Washington, Tokyo or Paris.

As a matter of fact, the union jack does not fly over our legations abroad; I made that plain this afternoon. It is Canada's so-called and unrecognizable flag that flies over those legations, but we cannot fly it at home. Therefore the movement for a distinctive Canadian flag persists and will persist.

Next I quote from the Regina Leader:

It is pretty obvious that before many years Canada will decide to have a Canadian flag that will have its origin in two main ideas: Canada, as a nation in her own right, and Canada as a partner nation in the British commonwealth.

The London Free Press—the second London newspaper to comment upon the subject—makes this statement:

There is no reason to believe that if we had a Canadian flag embodying the union jack and signifying loyalty to the British Commonwealth of Nations there would be any suggestion of disintegration of the British Empire.

The Saskatchewan Star-Phoenix says:

It is to be hoped that Mr. McIntosh's motion will be received more intelligently, and that the discussion in the House of Commons will be marked by light rather than heat.

The Montreal Witness has this to say:

But Canada has abundantly shown that she wants a flag of her own, and there is really no room for difference of choice as to what it should be. The received emblem of Canada is the maple leaf, now bronzing in the fall. The golden maple leaf has become as sacred as any emblem may be by having been worn by thousands of our fallen soldiers and having been proudly brought home on the collars of our returned men, who sang everywhere The Maple Leaf Forever.

I have attached to these notices a note that the Kiwanis' organization went on record a few years ago with regard to a Canadian national flag, and I have before me a resolution passed by the Canadian Weekly Newspapers Association, Saskatchewan division. May I read it:

Resolved, that this convention of Saskatchewan division, Canadian Weekly Newspapers, assembled in the city of Saskatoon, go on record as endorsing the compaign of Mr. C. R. McIntosh, member of parliament for North Battleford, in his efforts to secure the consent of the government of Canada to the selection of a suitable flag for the dominion of Canada, to be known as the flag of Canada.

This resolution was carried unanimously. I have also attached to the notices from which I have quoted, a verse by a local poet of Vancouver, Mr. Fred A. Burgess. He puts the case very well. The first chorus reads:

For Ireland has her harp and shamrock,
England floats her lion bold;
Even China has a dragon,
Germany an eagle gold;
Bonny Scotland has a thistle,
Turkey has her crescent moon,
And our friends, the Yankees, too,
Have their old red, white and blue—
Every race has a flag but our own.

This presents completely the case for a national flag. In coming to a conclusion on this all-important question many viewpoints may be considered. We might have a national flag based on the white ensign; we might be able to base it on the red ensign; we might base it on the blue ensign. Australia has founded her national flag on the blue ensign; southern Ireland has a tricolour scheme, green, white and orange thus making use of the colour white, one of the predominant British colours. This flag is a co-equal flag with that of Great Britain. Newfoundland's flag is based on the red ensign. We are flying a flag—the red ensign—which is not officially recognized as our land flag. There are many instances in which the three ensigns might be used as bases for a national flag. Then we might have a flag with a union jack in one corner, but that is something which will have to be decided by the committee and the House of Commons. We might have a flag in which there would be no union jack. Some people advocate that, but I do not. I suggest that had this question been settled a few years ago that argument would never have arisen; but so far as the argument is concerned I do not believe there is much public opinion in Canada in favour of it. With the spirit of co-operation and harmony prevailing, a simple and beautiful national emblem can be evolved.

I am not discussing any particular design; but in my opinion the maple leaf should find a prominent place on our flag, and I believe the union jack should also be there, prominently displayed. That, however, is a matter which can best be decided in committee. I am firmly convinced that with goodwill prevailing, with tolerance and patience, and with loyalty to this young nation and its constitution we can make progress in the house and in committee in coming to a satisfactory decision upon this extremely important problem.

I leave the question with hon. members. The very fact that we have in Canada one flag that is not officially recognized at home while the same flag is given official recognition abroad is an anomaly that should be corrected without delay. If it is, I believe that it will mean advancement democratically for this nation and it will give us that respect nationally and internationally that is due to us as a rising young dominion on the north American continent—a nation great to be in the annals of mankind.

Mr. VITAL MALLETTE (Jacques-Cartier) (Translation): Mr. Speaker, convinced of the necessity of a national flag for our beautiful country, I consider it my duty to support the resolution proposed by the honourable member for North Battleford (Mr. McIntosh). I do not intend to go into the history of the matter, but simply to offer a few arguments in favour of the establishment of a national flag. Every country in the world, from the most humble to the most powerful, has its national flag. Each country on every continent, in every part of the world, has its emblem, of which it is proud. Whether throughout the ages it bore the name of oriflamme, guidon, banner, standard, or was called something else, the emblem represented first individuals, then clans, groups and finally an entire nation. The mediaeval knight, defender of all good causes, was always accompanied by his equerry bearing a banner decorated with his lord's coat of arms. Even then men understood the importance of having some sort of emblem to identify them. The idea seems to have spread simultaneously in all parts of the globe. Every nation has its flag. In the British Empire itself, outside the mother country, Australia, the Irish Free State, New Zealand, the South African Union have their respective flags, and these countries all belong to the same family of nations. Thus, including Great Britain, at least five British nations have their distinctive flag. I do not see that anyone can object to Canada adopting a national emblem as its sister nations have done.

We have already taken a step in that direction by adopting a national coat of arms as other countries have done. Furthermore, this coat of arms bears a device indicating the size of our country: A mare usque ad mare.

Since we have adopted, as the honourable member for North Battleford pointed out a moment ago, a device and a coat of arms which are recognized by the whole country, why should we not have a national flag? Had we done so a few years ago, we should now have a Canadian flag, playing for our beautiful country the same part as that of the other nations. It would be a rallying-point. It would fly on our navy, on our merchant marine, on our public buildings, on our schools, on our residences. It would be displayed at the head of our processions and at all great patriotic manifestations. It would form a link between Canadians from all provinces. A Canadian flag would contribute to the unity of the dominion.

From a purely practical point of view, the Canadian flag would advertise Canada in other lands. Our tourists, like all other tourists, would display it throughout the world. This would be excellent publicity for Canada. This need of having an object to represent an idea, an association, a people, a union, is not something new. It reveals itself in guilds, unions, brotherhoods. All such organizations

have their banners. And these banners are not only chosen after long consideration, but the person selected to bear it must be elected by a majority of the members and he fills an honoured post in the organization. When I was a boy, the first thing we did after forming a group for purposes of play was to find a long staff to which we would fasten some kind of a rag which represented the flag of the group. It is so in industrial and commercial life. Every manufacturer who produces an article of good quality hastens to register a trade-mark indicating that the article was produced in his factory. This trade-mark is his own; it is his flag. As a man of honour he protects and defends it as the soldier defends his country's flag. He allows no unscrupulous competitor to use it. He does not permit his employees to debase it. If to meet competition he has to choose between unprofitable prices and lowering the quality of the articles bearing his name, he will rather register another symbol, in order to preserve the value of his original trade-mark, which is his flag.

May I remind honourable members of something which they know very well, perhaps too well, something that has become part and parcel of our political life? At every election, do we not ask the voters to elect us because we carry the glorious Liberal flag? And do not our opponents do the same thing, claiming that they are fighting under the good old Conservative flag? So even political parties recognize the necessity of a symbol to represent their opinions. This symbol, even though it has only an abstract existence, is called the flag, so suitable is the term.

If organizations of all kinds deem it indispensable to have some kind of a symbol to express their unity, it is all the more necessary for our great country to have one. Such a symbol should be for Canada, as for all other countries, a national flag, a Canadian flag.

Undoubtedly, there are many people who are under the impression that we already have such a flag. In fact, if you refer to the Journals of the House of Commons for 1937, page 167, in connection with the re-establishment of our trade relations with Russia, you will find the very words of a telegram from the Acting People's Commissar for Foreign Trade:

> I beg to confirm the receipt of your telegraphic communication to the effect that the Canadian government have decided to cancel order in council of February 27, 1931, pursuant to which the importation into Canada of certain commodities originating in the Union of Soviet Socialist Republics was prohibited.
>
> I hereby inform you that in consequence of the above I shall cancel my order of April 20, 1931, prohibiting all organizations and trade representatives of the U.S.S.R. to make any purchases of goods of Canadian origin as well as the chartering of vessels under the Canadian flag.

Of course, the choice of a flag will be a delicate matter, we must be extremely careful, and not let partisanship interfere. If it were possible to find an emblem that would recall at the same time our origins, and our association with other British nations, together with the fact that we are a Christian people, that would be the ideal thing. Shall we ever be able to discover the symbol which will meet all these requirements, so as to make it our national flag? I hope so. It is one of these cases where all men of good will shall have to take the initiative, and where the greatest measure of tolerance from all sides shall be tested.

It seems to me that there are enough fair-minded members in this house to form a committee which could agree upon a representative design that would be satisfactory to all true Canadians.

Why should we not have our own flag? Why should we be the only remaining great British dominion without any characteristic emblem? Since all other nations each have their own flag, including the sister nations of the British Commonwealth, why not have also a national flag for Canada?

The adoption of a national flag by Canada could not be construed as a provocation against any one. Our fair country would only follow the example of all other nations, great or small. As regards those timid souls who see in the adoption of a Canadian flag an act of hostility towards the mother country, it would be sufficient, I suppose, to remind them of Australia, New Zealand, Ireland and South Africa. Have these great British nations been shaken at all in their allegiance to the sovereign, or to British institutions, through the fact that they have their own flag? To say so would be an insult to those nations.

There are those who would see in this a suggestion of secession from the mother country. What a mistake! What a foolish idea! Canada is merely in the position of a grown up boy who, coming of age, settles down and obtains all those things that are necessary for setting up an ordinary home. Such action is not considered by the young man's parents as an act of hostility, as a kind of provocation towards them. On the contrary, the young man's parents and friends encourage him and they cannot show too much admiration for his deciding to become a man. Instead of bothering him or putting obstacles in his way, they help him. Let Canada select a national flag—she also having

come of age—and the Canadians will be glad of that. It will be another step towards progress, towards national development.

I have much pleasure in supporting the resolution moved by the hon. member for North Battleford, which reads as follows:

That, in the opinion of this house, a special select committee be appointed for the purpose of considering the advisability of adopting a distinctive Canadian flag, representing Canada as a whole, thereby symbolizing the dominion as an equality partner in the commonwealth of British nations.

Mr. Speaker, before resuming my seat, I wish on behalf of the electors of Jacques Cartier and of those back benchers who are here present, to add my congratulations and compliments to those that have been tendered this afternoon to the right honourable the Minister of Justice (Mr. Lapointe) by qualified authorities in this house.

Mr. O. B. ELLIOTT (Kindersley): Mr. Speaker, while I have no great demand from my constituency for a national flag, the people perhaps being more interested at the present time in difficulties of a personal nature, being situated in the drought area, I feel that the subject is interesting from an informative point of view.

When one is contemplating a national flag he is likely to be influenced by conflicting emotions. He may desire the retention of the union jack because of British alliances, and because it is symbolic of the many historical events in the process of building the British Empire. There seems to be a considerable amount of confusion about our flags in the minds of Canadian people, and while the National Anthem creates a reverence for British monarchy and institutions, the singing of "O Canada" stimulates the joy of everything purely Canadian.

I am thinking at the moment of the people of many different nationalities comprising Canadian nationhood who immigrated to Canada for a purpose. The object prompting such a move was doubtless the desire to secure an improvement in their standard of living and, believing Canada afforded that opportunity, after much deliberation they decided to take the momentous step. I can almost feel the tumult of emotions that struggled for predominance in the breasts of these many individuals before deciding the most uncertain action of their lives. They had to decide whether to hold steadfast to their old traditions and institutions, or set their eyes on a new star, trusting—and in human life how very important that quality is. They were anxious to contribute their efforts, be they large or small, to the moulding of a new nation. The young men and women born in Canada, who are not moved by the same sentiments as previous generations with regard to old world institutions and the symbols that represent their struggle for emancipation, look for emblems depicting more particularly Canadian history, while still retaining possibly a symbol of our progenitors, as does the Canadian coat of arms.

The red ensign of the British merchant marine ships, with the Canadian coat of arms in the fly, after floating for thirty years over every dominion public building in Canada was displaced, and the union jack restored.

The shield on Canadian marine flags goes back to the very dawn of our official flag. In order to place a description on the record for those who may read the report of the debate, may I state that in the upper left hand canton are depicted the three golden lions of Normandy, brought from the ancient French province of Normandy by William the Conqueror, and first inscribed on our flag by Richard I of England. In the upper right hand canton we have the lion of Scotland. In the centre cantons we have the harp of Ireland, and also the fleur-de-lis first placed on the British flag by Edward III, in honour of the French princess who was his mother. Beneath these four cantons we have three maple leaves representing Canada. This is placed on the fly of each of the two marine flags of Canada. At present Canada's only flag is the red ensign. In 1892, the dominion government passed a regulation allowing the arms of Canada to be placed on the red ensign for mercantile purposes. The fact that there is no legal right, so far as I know, to fly this flag on land, may account for the change to the union jack a few years ago.

I heartily agree with the hon. member for North Battleford (Mr. McIntosh) who advocates the adoption of a national flag for Canada, the importance of which he has brought to our attention. It is of interest, however, to know that Canada already has a flag which is 176 years older than the union jack or, as correctly described, the union flag. When I say Canada has a flag, I refer to the flag of Nova Scotia, a part of Canada, although it is conceded that she did not want to be. I am pleased to see a number of representatives from Nova Scotia in the house.

It is a matter of record that in 1625 Charles I of England granted to Nova Scotia a coat-of- arms and a flag with an orange tawny field. This flag, as I have said, is 176 years older than the union jack. The circumstances in connection with the making of it take us back to the days of Queen Anne. We find that after the Treaty of Union was signed

between England and Scotland on January 16, 1707. Queen Anne was requested to appoint ensigns armorial to conjoin into one flag, the crosses of St. George and St. Andrew, and in May, 1707, the flag was displayed at St. Paul's Cathedral in London, where a solemn celebration was held to commemorate the union.

It was not, however, until 1801, when Ireland was joined in the legislative union that the cross of St. Patrick was added. The result of this addition is the union jack or union flag in use to-day by Great Britain and all her colonies.

It may not be a bad idea for the house humbly to pray the province of Nova Scotia for the privilege of flying this as the national flag of Canada. In the centre of the blue cross of St. Andrew, on the flag of Nova Scotia, we find a red lion, all of which is placed on an orange tawny field. This is a very attractive flag indeed, and one no doubt of which Nova Scotia is proud.

We have adopted the beaver as a national emblem. We find it was first used in 1630 by Sir William Alexander, who received in 1621 a grant to colonize Nova Scotia from King James I of England, who was also King James VI of Scotland. So far as I know, no objection has been raised by Nova Scotia to the use of the beaver as an emblem. Therefore I feel confident that Nova Scotia would not refuse us the use of her ancient flag.

New Zealand, Australia, and South Africa have flags of their own. I can remember how anxious we were at one time to take part in the conflict in South Africa. Recently there has come to my notice an article from a Vancouver paper dealing with the flag of South Africa. Dated at Vancouver, September 27, 1937, the article states:

> When the team of forty-three South African lawn bowlers arrived on the Pacific coast during their trans-Canada tour, they were determined to include a pilgrimage to a tree stump at Campbell river, Vancouver island, in their sight seeing.
>
> It was from a stand of timber at Campbell river that a British Columbia fir was felled last summer, trimmed to a 105 foot flag pole and sent to Johannesburg, South Africa for the city's 50th birthday celebrations.
>
> Attempts to transport the huge gift from the sea to Johannesburg by rail five hundred miles away, were abandoned in favour of roads because of the many sharp curves in railroad tracks. At some points only the tip and the butt of the pole rested on freight trucks.
>
> A second problem arose with the erection of the pole, for nowhere in South Africa may the Union Jack take precedence over the flag of the Union of South Africa, and it is usual to erect twin flag poles.

[Mr. O. B. Elliott.]

There is, however, another matter which must be considered before the adoption of a national flag can follow. I refer to the meaning of the word "Canadian," and in this respect I should like to quote from "Canada 1937." Under the heading of racial origins, to be found at page 24, I find the following:

> The object of securing information on racial origin at the census is to ascertain from what basic ethnic stocks the Canadian population, more particularly the recently immigrated population, is derived. The answer "Canadian" is not accepted under this heading, as the purpose of the question is to obtain, in so far as possible, a definition of "Canadian" in terms of racial derivation. It is clear that to accept the answer "Canadian" to the question on racial origin would confuse the data and defeat the purpose for which the question is asked.

May I suggest that the census taker could readily ascertain racial derivation by asking information as to the parentage of the individual, which I have no doubt would be supplied in all cases. As there is no provision on the census tables of Canada for the enumeration of Canadians, it is apparent that the paragraph just quoted from "Canada 1937" is a subterfuge, an explanation which does not explain but which accentuates the omission of the word "Canadian" from the official record. As we all know, were Canadians enumerated on the census, some provision would necessarily have to be made for Canadians to exercise their franchise at the polls as Canadians. Therefore I consider it somewhat of an anomaly that we should be discussing the adoption of a national and official flag for Canadians when even the hon. member for North Battleford is not officially a Canadian. Of course something is wrong and I suggest that we make it right. Is it true, as the hon. member for Jasper-Edson (Mr. Kuhl) says, that there was no confederation or federal union? I leave the question with you: Are we still a colony?

Mr. F. C. BETTS (London): Mr. Speaker, I feel strongly about this question, but I shall endeavour to follow the excellent example of the hon. member for North Battleford (Mr. McIntosh) and couch my views in moderate and dispassionate terms. The resolution reads:

> That in the opinion of this house, a special select committee be appointed for the purpose of considering the advisability of adopting a distinctive Canadian flag, representing Canada as a whole, thereby symbolizing the dominion as an equality partner in the commonwealth of British nations.

As was pointed out, it would be ridiculous to pretend that by adopting what is referred to as a distinctive Canadian flag we would be jeopardizing the position of the dominion in

the empire or be weakening the part that the empire plays to-day in the affairs of the world. To say that would be putting the situation altogether too strongly. My objections to the resolution, which I shall state simply and shortly, are these: There never has been a time in the history of the world when the British Empire played such an important part as it is now playing in the preservation of such world peace as still remains and in the observance of fair play and justice and all that Christianity stands for. Therefore, this is the time when everything that we in this dominion can do to identify ourselves with the British Empire as closely as possible should be done.

One way in which we can foster and strengthen that bond is by exercising what I deem to be one of our greatest privileges, the flying wherever and whenever possible of the union jack. Unfortunately we are subjected to many influences which tend to weaken our imperial connections. The radio and the press of the country to the south are constantly disseminating influences that are in no sense of the word imperial, let alone Canadian. As an antidote to these often undesirable influences we have the union jack. To do other than fly it when and where we may, would in my opinion be bad policy. Something is said in the resolution about a distinctive Canadian flag. The union jack was sufficiently distinctive for the 60,000 men who laid down their lives for Canada in the great war. It is distinctive enough for me and, I believe, for the vast majority of those whom I represent.

There is another practical consideration. I do not think the mover of the resolution or any one else will deny that the most desirable type of immigrant we can get is the immigrant from the old land. Those are the immigrants whom we wish to attract above all others. Surely it would be a consideration in the minds of such people if they knew that when they reached our shores they would still find floating in the proudest position of all the emblem to which they had become accustomed. In some of the press references which the hon. member for North Battleford read into the record something was said about silly sentiment in discussing this question. Whenever we discuss a flag, whether it be a Canadian flag, the union jack or any other flag, a certain amount of sentiment must enter into our deliberations. There is a strong feeling of sentiment for the union jack. My hope is that it will be preserved and increased because it is an honourable sentiment.

There is sentiment in our feelings towards Shakespeare, Milton, Shelley and Burns, and the works of these men arouse the same feelings deep in our breasts as are aroused when the union jack is mentioned. Therefore, for my part, Mr. Speaker, I deplore any move to fly any other flag than the union jack. In my opinion the motion is untimely, and such a motion would, in my view, be untimely at any time. I shall vote against it.

Mr. H. E. BRUNELLE (Champlain) (Translation): Mr. Speaker, it is my pleasant duty to compliment the hon. member for North Battleford (Mr. McIntosh), first, upon the appealing and convincing way in which he has presented his case to the house, and second, upon his tenacity in bringing up again and again in the house and promoting this most laudable project, which unfortunately so far has not met with the approval of this chamber. The perseverance and energy of the hon. member were not unknown to me because I saw him at work in his constituency of North Battleford, where I lived for many years, and where I am proud to say I had occasion to vote for him. As one who is no longer interested in his constituency I wish to tell the hon. member for North Battleford that not only in his constituency but in many other parts of Canada, probably owing to his attitude in connection with a national flag, he is looked upon as a true, devoted and broad-minded Canadian.

I saw fit to make these few remarks with regard to the hon. member for North Battleford, because a decision such as the one we are about to take might seem queer, even wrong in the estimation of those who, though I believe they are in good faith may consider it as a sacrilege, as it were, the fact of seeking to change in any way the British flag in order to have a strictly Canadian flag.

While I have the opportunity, I take great pleasure in paying my own and my constituents' compliments to the right hon. the Minister of Justice. I wish him health, happiness and success on this 34th anniversary of his coming to this house. These wishes are all the more sincere since the success of the Liberal party, the government and the country are so closely connected with the success, the happiness and the good health of the right hon. Minister of Justice. They may, to a certain extent, smack of selfishness, but I may assure the right hon. Minister of Justice that they are nevertheless profoundly sincere.

The reason I am taking the liberty of saying a few words in support of the motion introduced by the hon. member for North Battleford, is because I believe Canada has reached such a measure of self-government

that we should enjoy all the essential characteristics which such autonomy entails. It may be—and I share this opinion—that we ought to retain substantially the character of the British flag, but we should make it distinctly Canadian by adding to it our emblem, as, for instance, the maple leaf. I wish to express my admiration for the British flag which, for many years, and even many centuries, has victoriously flown all over the world. We must admit that under the protection of that flag, except for the bad treatment that was meted to us in the early days of British domination, we enjoyed liberties and privileges of which we would certainly have been deprived under many another conqueror. The crosses of St. Andrew, St. George, and St. Patrick which are to be found on the British flag well indicate the union and cooperation which bind together the oldest members of the empire, and they also show that these elder members of the British Empire wished to have their emblem on the British flag. I think it is expedient that Canada add her own emblem so as to show that it is also her flag.

Since the other colonies, or I should rather say the other members of the British commonwealth have their own flag, why should not Canada have hers? As the hon. member for London (Mr. Betts) said a moment ago, we must admit that in a discussion where feelings intervene, reason and logic do not always prevail. But since we are only seeking to add our emblem to the union jack, I think there is no ground to protest against adding to the old flag anything that would make it more attractive and more characteristic in the mind of Canadians. Besides, the lack of a distinctive Canadian flag is a paradox, an anomaly. A proof of this is the fact that, in those countries where Canada maintains legations, she must create some kind of a flag different from that of the empire through the addition of the Canadian coat of arms. Thus, Canada has a flag, outside its territory, but she has none for her own citizens.

On the other hand, the empire is not a federation. I do not think, either, that the idea of centralization has met with such a measure of approval among Canadians, that the latter should be willing to keep forever as their own the mother country's flag. A Canadian flag would no doubt hold much more attraction for Canadian citizens. Such a flag would appeal much more to the imagination of children and better arouse their national pride. It would form a link that would unite more closely the French and English speaking native born Canadians with those who are simply naturalized Canadians. The thought or ambition of those people who came to our country was not simply to become British subjects. I rather believe that they were determined to become plain Canadian citizens. Again, who could deny the fact that every nation must have her own flag. It is futile, if not ridiculous, to cast doubts upon anyone's loyalty in such debate. I resent the suggestion that those who would adopt a Canadian flag have no attachment or loyalty towards the crown. This is not definitely stated but it is hinted, or insinuated, and every one can read between the lines; on the other hand, every one is quite free to say or think whatever he pleases. And I shall take the liberty, and avail myself of this opportunity to say that I am neither ashamed nor afraid to state that, while second to none in my loyalty towards the crown, if the interests of the mother country should ever happen to conflict with those of my native country, without the least hesitation, I would devote myself body and soul to Canada.

In reality, the opposition against the adoption of a Canadian flag is caused by imperialistic feelings. Let us hope for the day—the sooner it comes, the better it will be for us all—when it may be possible, in our country, to discuss matters of interest solely from a Canadian viewpoint. Meanwhile I believe the best way of being a good British citizen is to remain a good Canadian.

There are in Canada groups whose traditions are not identical. It would be neither wise nor fair to wish for the disappearance of those traditions, but these different racial groups must meet upon a common ground. A national flag, along with our splendid national hymn, would provide this common ground and constitute a closer bond first between the provinces—they need it—and then between native born Canadians and naturalized Canadians, who should all be proud, at this stage of our history, to declare as a matter of principle that one country is enough for any man and that, from a practical viewpoint, the boundaries of their true fatherland should not extend beyond those of Canada.

Mr. J. R. MacNICOL (Davenport): I first will address myself to some of the remarks made by the mover of the resolution (Mr. McIntosh). If I understood him correctly he said that in 1933 a resolution similar to that which is now before the house was withdrawn because of the distress in the cities and the serious condition in the country. If that reason was effective in 1933 it is a first class reason for withdrawing the resolution to-day. I am sure that conditions in the constituency of the hon. member and other parts of the

west are not so gratifying that this house can afford to waste its time debating an educational or academic motion of this kind. People in the west are crying to Ottawa for measures, whether they be the building of reservoirs, diverting rivers, or other constructive operations that will bring relief to the troubles caused by the drought; they are not, I believe, very much interested in the question of a flag, but are more concerned with their own pressing difficulties. I know very well that that is the situation in the east, and I am sorry to observe that while conditions did improve for a time, in the last month or two they have been getting worse.

Yesterday I spent the day with some friends in a railroad town not far from Ottawa and had a conversation with three railroad men. One of them remarked, "I see that the house is going to debate a resolution in connection with the flag. I want to tell you that so far as I am concerned, not only is the union jack good enough for me, but I am much more interested just now in getting a job." He said that fifty of the engine repairers in the town I am referring to had been laid off from the car shops because the large new locomotives are so powerful that they can run from Detroit to Toronto, and from Toronto to Montreal without a change. This man remarked to me, "As far as we are concerned we are interested in getting jobs at the present time; we are not interested in you men down there wasting your time debating a question which at best is only an educational question."

The hon. member who proposed the resolution quoted certain expressions but did not use them himself. I wish to compliment him on the mildness of his language and on the way he said what he had to say. Some of the quotations he used, however, intimated that anyone who has the nerve to oppose this resolution is prejudiced, that to do so is absurd and could have no other motive than a silly sentiment; he also produced a clipping which applied the word "ridiculous" to anyone presuming to oppose the motion. I do not intend to be deterred from what I have to say by any such expressions, neither do I believe such terms would be employed by the hon. member himself. On the other hand, respecting as I do the views of other hon. members, I expect them to respect mine.

I recall the hon. member said that the sentiment throughout Canada favouring the adoption of a so-called distinctive flag was almost unanimous. Before I sit down I shall be able easily to show that that is not so; that on the contrary, opinion against the change is much stronger; that the organization which is responsible, as I see it, for creating the agitation to induce someone to bring this type of resolution before the house has for several years past been engaged in advocating a new flag, and that its late president, to whom I shall refer later, resigned because he believed that that organization was advocating the disruption of the British Empire. I do not argue that such a result would follow the adoption of a new flag—far from it. I am merely repeating what some of those in the organization behind this movement have been quoted as saying.

The hon. member who moved the resolution said that the Saskatchewan weekly papers are unanimously in favour of this proposal. With his powerful eloquence and his position as an outstanding editor in the province, if he went to a meeting of the Saskatchewan Weekly Newspapers Association and could not persuade them to adopt his resolution, or at any rate to support his point of view, I should be surprised.

Mr. McINTOSH: I was not there.

Mr. MacNICOL: Well, the weekly newspaper which the hon. member so ably edits lauded such a resolution. Am I not right in that? His views are well known in Saskatchewan. He has said something about Newfoundland. I must correct him in that particular, because on a trip to Newfoundland I discussed the flag situation with the commission. I found that the union jack is the flag used on land, and on the water they have a similar flag to ours, using their coat of arms on their blue ensign in much the same manner as we do, as well as on their red ensign.

We have already had two suggestions as to what could be put on a new flag. One was a maple leaf, which is a wonderful emblem. The beaver was also referred to, I believe by the hon. member for Kindersley (Mr. Elliott) as a suitable emblem to place on the flag. But I should like to call attention to what was said by the hon. member for London (Mr. Betts), and I agree with it, that as it is we have sufficient difficulty in this country in trying to maintain a sentiment of loyalty to Canada, and a sentiment for the maintenance of Canada as part of the empire. There is no question that some are affected by the press of the republic to the south making jocular references to our traditions, our government and our king. We are also exposed to radio influences; I have myself heard many speeches delivered over the radio to which it was not very pleasant for a Canadian to listen.

I endorse, therefore, what the hon. member for London has said, that in this matter we should go very slowly about doing anything that would tend to break down our sentiment towards the union jack and the old land.

As I have so far been for the most part replying to what has already been said in the debate, Mr. Speaker, if you will call it six o'clock I will give my own views when the house resumes after recess.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MacNICOL: Mr. Speaker, just before the house rose I believe I said that in view of the peaceful penetration of this country by newspapers from the republic to our south and by radio programs from the same source—and I might also add by commerce—in my judgment we should be very careful about starting anything new that might in any way weaken our adherence to our traditions and those of the empire to which we belong.

Perhaps it would be best right at the commencement of my remarks to correct a statement often made, which I think we have all read in the literature that has been sent to us recently by an organization which is pronouncedly against the union jack. I believe it fitting that at this moment I should point out that we have three official flags in this country. The one that was made official first is the blue ensign, which was made an official flag for Canada's government marine by the Colonial Defence Act of 1865. That flag bears on its fly the Canadian shield. The second official flag is the Canadian red ensign, which is used by our merchant marine on the seas and the lakes. That red ensign was ordered by an admiralty warrant in 1892. I might just interject here that when the house rose, someone, I have forgotten who, intimated to me that he felt that Canada ought to have a flag, and apparently he meant a distinctive flag, because if he went to Montreal or elsewhere and saw ships coming in, he could not tell from the flags which were Canadian ships. That is not correct; his information was wrong, and I desire to correct him. I now say that all Canadian merchant ships have flying at the stern the Canadian red ensign. Then, of course, we have the union jack, which in 1912 was ordered by the Secretary of State for the colonies as a land flag for Canada. So we have three official flags: the union jack on land, the red ensign with the Canadian coat of arms on the fly for our merchant marine, and the blue ensign with the Canadian coat of arms for our government marine.

I might say that when I was overseas last summer, in anticipation of the probable reintroduction of this resolution, which I believe has been before the house now on six or seven different occasions, I endeavoured to find out everything possible about the origin of those component parts which go to make up our flags and the heraldry associated with them. I went back into antiquity as far as I could, visiting the signal offices of the Admiralty, the factories where they make the admiralty flags and the record offices of the great newspapers in London as well as the great magazines such as the Illustrated News, the Graphic and others. I wanted to try to disprove to my own satisfaction the statement that the union jack on land is not a distinctive Canadian flag; I wanted to disprove the statement that our red ensign with the coat of arms on the fly and the blue ensign with the coat of arms on the fly were not distinctive Canadian flags.

I have convinced myself, in any event, that they are more distinctive to Canada than almost anything of which I can conceive; that is, if one considers that a flag, to be distinctive of a country, must at least appertain to the races that go to make up that country. I will say this, that the more I searched and the further back I went into antiquity, it appeared to me that the race that had the most to complain about, as far as flags go, was the English race itself. The English people themselves would have more right to complain about their flag not being distinctly British, or ours not being distinctly Canadian, than any other race. Take, for instance, the union jack itself, with its three crosses. St. George's cross was originated not in England but in Asia Minor. The Greeks used it long before the English did. Of course they used a white cross on a blue field, while the British used a red cross on a white field. It is called St. George's cross because of the martyrdom, according to legend, of St. George on April 23, 361. St. George's cross on a flag was brought to England in 1194 by a Norman king, Richard I, on his return from the crusades. It was not of English origin at all; but the English, being broad-minded and steeped in business above everything else, were not perhaps so particular about the ordinary things, and were happy to obtain it. As I have said, that cross was introduced into England in 1194 by Richard I, a French-Norman king.

Then take St. Andrew's cross. That is not Scotch at all; but the Scotch, being receptive also, were willing to take perhaps almost any-

thing worth while. St. Andrew was martyred at Patros in Greece in 69, and according to legend about 370 the relics of St. Andrew were found on the west coast of Scotland.

Mr. DUNNING: My hon. friend is wrong in his history there.

Mr. MacNICOL: I did not mean that the cross was adopted then. It was used in 740, I believe, by King Fergus, or some other king.

Then we have St. Patrick's cross. How much Irish is there about that? The Irish are also a fine race, and are willing to take anything that is good. St. Patrick himself was born in Scotland according to legend; but so far as the legend goes he went to Ireland and then to France. History says that his father was a magistrate for the Romans in the fourth century. Whether or not his father was Roman I do not know; but it is said that his mother was French, and St. Patrick's cross was introduced in Ireland about 1169 by the son of a Welsh king. In other words, the English themselves got their cross last. The Scotch got theirs in 740, the Irish in 1169 and the English in 1194.

As far as these crosses go, they are anything but English. Why there should be any feeling against the three crosses on the union jack is something I cannot comprehend. So far as the armorial bearings and the shields on our flags go, what is there about them that is English or Scotch or Irish? Again, the old country took advantage of something that was very good; they appropriated it, and finally used it on their flags. I believe it was stated in the circular sent out by the Native Sons of Canada that a flag bearing St. George's cross was the first English flag. No such thing! The early English did not have a flag. The Romans brought their flag to England, on which was a dragon or a lion. The Romans themselves had in turn acquired the symbol of a lion or dragon from Parthia, part of present Russia. In other words, the lions on our flags are not English. Originally they were brought in by the Romans from Parthia.

So it will be at once apparent that we have quite a mixture in our flags. Richard I, following the Norman procedure of having a lion on a flag, placed the Norman lion on the English armorial bearings. Then, how did we happen to get the fleur-de-lis on our flags? No hon. member will say that that is English. No; it is a very beautiful flower, and it is French. It was placed on the English arms by Edward III in honour of his French mother.

We see, therefore, that we have the fleur-de-lis from the French and the harp from Ireland. I am convinced that the English are certainly a broad-minded and generous race. As I said before, if any race has a right to complain against its own flag, then it must be the English. But they are not complaining; they are just sawing wood, and going ahead. I had expected to see every French Canadian member in the house stand up and speak against the motion. I must say that I could not understand the two hon. members who have already spoken. If they understood that the flag is more French than English they would say, "That is our flag, above any other."

When William the Conqueror landed in 1066 he brought a flag with him. I was anxious to learn what kind of flag he had. Then I searched the records of antiquity to find out what kind of flag the Britons had. Hon. members will recall that, as history relates, it was the Saxon Harold who fought against William. On Harold's flag was found a dragon, copied from the Roman flag. He was supported at Hastings partly by men of Kent, on whose flag there was a white horse. The white horse had been the emblem of the Jutes and Westphalians.

May I point out that if any flag in the world is cosmopolitan, certainly it is the union jack. I say it should be accepted as our land flag, and as our water flag we should retain the red and blue ensign carrying our armorial bearings. Those flags should suit everybody, and all races within our borders.

When William landed in England he carried with him a flag given to him by His Holiness the Pope, a yellow cross on a white field. It has been said that we must have something distinctive. Well, of what should our flag be distinctive? I have listened to speeches over the radio about Canada having a distinctive flag. Of what will it be distinctive, if indeed it is not distinctive of the races which go to make up the people within the borders of the country it represents? About the only race to which it does not refer is the English. It is more French than English. As I pointed out earlier, part of the flag is Parthenian since the lions were Roman, that is Italian and were adopted by the Romans from Parthia. There we have the cosmopolitan flag which should please every Canadian, no matter of what nationality he may be.

There is no other flag like it. Let us see what the other nations have. What will happen if this matter is given to a committee? I cannot help thinking what happened as a result of the splendid speeches made in the South African house. Their resolution was

sent to a committee, and I cannot help thinking what came back from it. Of course I can say that perhaps the Canadian House of Commons is more intelligent than any other, and might bring in a better report. Personally, however, I should be very sorry to see anything of this kind sent to a committee.

Let us see what the other countries have. Most flags consist of either horizontal or perpendicular bars. The majority of them have three bars, and they are of almost all colours of the rainbow. On the flag of Albania there are three bars: crimson, black and crimson. On the Argentine flag there are three horizontal bars: blue, white and blue. The flag of Austria has three horizontal bars: crimson, white and crimson. On the flag of Bolivia we find three horizontal bars: red, yellow and green. The flag of Bulgaria carries three bars: white, green and red. On the flag of Esthonia there are three bars: blue, black and white. The colours are assembled in different ways.

Other nations have the three horizontal bars with an emblem superimposed. Then we come to the nations with flags having perpendicular bars, and as an instance I refer to the flag of France, with perpendicular bars: blue, white and red. I have found flags of five nations having three perpendicular bars. In addition to these there are the flags with perpendicular bars having emblems superimposed on the centre bar.

We now come to the other types of flags. In this connection we might refer to the flag of Turkey bearing a crescent and a star, and the Egyptian flag with three crescents and three stars. We must not forget Old Glory to the south of us, with its forty-eight stars and thirteen bars. We find throughout the world a combination of stars and bars or bars and bars, either horizontally or vertically arranged.

No other flag has anything near the same combination as has the union jack, or our own red and blue ensign. Traditions behind these flags go back to the remotest past.

I am wondering why it should be necessary to take up more time in the consideration of this motion, and I would suggest that the hon. member sponsoring it might very well withdraw his motion, and let us get on with the business of the house.

By whom has this agitation been brought about? We know it is only an agitation, because the vast majority of Canadians are not as keenly interested in the flag as they are in some other matters. They are much more interested in getting jobs. The people in the western provinces are more interested in the rehabilitation of their farms. If we were asked to adopt some measures along those lines I am sure we would be more likely to have the support of the unemployed workers in the east and the drought stricken farmers in the west.

However, the motion is before us and we must debate it. The agitation comes principally from an organization known as the Native Sons of Canada. I am a native son of the fourth generation. Although not in a direct line, some of my ancestral family were at Ticonderoga and at Quebec, so I do not have to defend my Canadianism, when it is compared with that of others who can trace back only one or two generations.

What do the Native Sons of Canada have to say? We find that they sent out a booklet described as A Catechism on Canadian Status, from which I shall quote only a few questions and answers. This is one question:

> As Canada now has no national flag—
>
> Notwithstanding the fact that I have proven we have three—
>
> —should it, when adopted, contain the union jack as a part of its design?

The answer is:

> No. It would be entirely improper unless placed in the design so as to indicate that it was so placed for sentimental reasons only.

The next question:

> Has Canada officially adopted any flag?

And the answer:

> She has adopted a flag for the use of the governor general, and one to fly on Canadian government buildings in foreign countries.

Before I forget I should like to correct the mover of the resolution in his reference to Canada House. I went to Canada House many times while I was in London and every time I visited that building I used to crane my neck to see whether a flag was flying. As a rule when people in London want to go to Canada House or to our legation in Paris they do not bother their heads to look to see if the union jack is flying; they simply find out where the building is located, call a taxi at their hotel and are dropped at the door. I am glad to say that Canada House had more union jacks flying during the coronation than any other government building in London that I noticed. There were usually four union jacks flying, and frequently one red ensign. South Africa house always had the South African flag flying, but I might say that I never saw it without a union jack as well. The same applies to the buildings of New Zealand and New South Wales. People are not interested in what flag is flying at Canada House or at the Canadian legation in Paris.

All they are interested in is the business they have to do at these places. I quote again:

Is not the flag flown by the Canadian merchant marine a Canadian flag? No.

That is the answer of the Native Sons of Canada in the face of the fact that two of the official flags in Canada are the governor general's flag and the Canadian red ensign.

The next question reads:

Should either of the two flags mentioned be considered as a Canadian national flag? No. Canada has no national flag.

Well, Canada has a national flag; in fact, it has three of them. The next question reads:

Is it proper that the union jack should be flown over Canadian government buildings? No.

Well, it is proper and it is the law of the land. What does this organization propose as a flag for Canada? I suppose every hon. member has received a copy of this catechism. And on the last page of this circular containing the president's address we are practically told that any man who opposes the adoption of a new flag for Canada should be treated as a traitor. That is fine language to use as regards any member of parliament. The flag proposed by this organization consists of a purple background with a maple leaf and crown thereon. Wherein does such a flag tell of the sentiment of the French Canadians, of the Scotch Canadians, of the Irish Canadians or of the English Canadians? There is not much on it representing what I stand for or what I want on a flag.

The hon. member for North Battleford (Mr. McIntosh) said that he had had a hundred, or was it a thousand flags sent to him? I have had quite a number sent to me, but most of them landed in the wastepaper basket. I show one with the union jack up in the corner and a maple leaf in the centre. A past president of the Native Sons of Canada has this to say:

I would not be a party to anything which, to my mind, would make the union jack appear ridiculous, as it does to me, in the flag of South Africa.

They have a union jack on the flag for South Africa, but it occupies only one-eighty-first of the total area of the flag. I shall not take time to discuss some of the other flags suggested as most of them are just something. This is a report of a statement made by a past president of this organization, Doctor J. Cotton:

"I have refrained for some time from attending meetings and my resignation will be sent in shortly," declared Dr. Cotton. "The original constitution of the native sons was against separation from the British commonwealth and annexation to the United States," he declared, but he added, about a year and a half ago a catechism was issued through a group in the organization. This literature, he asserted, "would cause any person who is sane to believe that the native sons were against a British connection."

I am not against British connections; I am for British connections. Earlier in the afternoon the hon. member for North Battleford said the vast majority of the people of Canada were for a new flag. The Sons of England is an important organization and some time ago I understand they sent a resolution to the Prime Minister (Mr. Mackenzie King). I should like to quote from the Sons of England Record, as follows:

The copy of the proposed Canadian national flag was duly received and considered, and I was instructed to advise you that the members of the supreme council of the Sons of England Benefit Society are strongly opposed to any change in our flag, feeling that the union jack is good enough for Canada and is a flag that we are proud to live under.

That was the letter from the supreme secretary of the Sons of England to the national secretary of the Native Sons at Toronto. The Canadian Legion in my riding passed a unanimous resolution instructing me to oppose this motion. I think some attention should be paid to this organization. I attended a meeting of the United Empire Loyalists at which a resolution was passed endorsing the union jack as the national flag of Canada. Instead of sentiment being for a change, in my judgment it is far stronger against a change.

South Africa has two flags. As an hon. member to my left said, they always have to erect two flagpoles there as the law of South Africa states that the union jack and the union flag shall fly side by side. The Australian flag is made up of a blue ensign with the southern cross. The New Zealand flag is similar, the southern cross being arranged differently. The flag of Brazil also contains the southern cross. I have no fault to find with what has been done in other parts of the empire, but I feel that we have a flag of which we should be proud.

India has a rather attractive flag and one to which I have no objection. It is made up of the union jack with the Star of India on it surmounted by a crown. If the different countries in the empire could decide upon a uniform flag, I would not oppose it particularly. But the way we are going now, with each country adopting a different flag, we are going to end up with a hodgepodge. I made an exhaustive search into the origins of the Indian flag, the Malta flag and the Jamaica

flag. In each case the union jack has been used with the respective coats of arms superimposed.

I should like to close by relating an incident which occurred during my visit to London. Perhaps you, sir, and other hon. members will remember the great banquet which was held by the borough of Westminster. That was one of the most elaborate banquets I have ever attended. There were about 100 tables, with from eight to ten people at each. The government took care to see that there would be visitors from different parts of the empire at each table. A nobleman from Malay sat close to me and I engaged him in conversation. After a speech by one of the great statesmen of South Africa I turned to this gentleman and said, "We have a wonderful empire." He had told me that originally his family were Chinese but they had lived in Malay for ten generations. I tried to write down from memory a few days later just what his reply was, and I shall quote from my note:

> Yes, we have a marvellous empire. I often ponder about these islands.

Then, as if pondering, he added these words:

> If these islands, with their culture and the knowledge of the arts and sciences, with their love of right, their respect for colour and creed, with their integrity and their valour were to suddenly sink beneath the Atlantic, the nations of Europe in dismay and madness would destroy each other. With Britain's strong restraining hand gone, nation would fly at nation, the last remaining one would be impotent, a shambles. I shudder to contemplate the tragedy that would befall Asia, befall India, befall Malay, should the flag of this country sink to rise no more.

If such a catastrophe as that did happen, Mr. Speaker, it would not matter much what flag was chosen by parliament to fly over this country because whoever got to us most quickly, and was stronger than we were, would see to it that their flag flew over Canada.

I close with the thought with which I commenced when the house met at eight o'clock. In view of the peaceful penetration of this country by the United States, by means of the radio, the press, literature and commerce, we should be very, very careful to do nothing to weaken the traditions upon which this country has been built, traditions, as I have tried to point out, that are steeped in the glories of the French, who brought with them from Europe their language and their culture to help build up this nation; and I appeal to my French-Canadian compatriots not to hasten, not to jump and vote for this resolution, because certainly now is not the time to present a resolution of this kind with the condition this country is in at present. I appeal also to my hon. friend from North Battleford to withdraw his resolution and concentrate his splendid energies and outstanding ability on supporting measures in this house which will make for the rehabilitation of those fine provinces of the west, and which will at the same time assist in rehabilitating and giving employment to thousands who are now unemployed.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker. I have only two or three thoughts to contribute to this debate. I had anticipated that I would have something to answer when the hon. member for Davenport (Mr. MacNicol) had taken his seat, but I am persuaded that the research which he made in the old land during the past summer must have more or less convinced him that the speech he made in the house in 1934 was not entirely right, because it seemed to me as I listened to the hon. gentleman to-night that he did not wax as eloquent or was as fluent as he was over the flag situation three or four years ago.

One expression he used was that the vast majority of the people of this country are not interested in this question of a national flag. When this question first came before the House of Commons back in 1929 or 1930 I was somewhat of the same opinion, but I have changed my mind since then. I have come to the conclusion that the vast majority of the people of Canada are interested in this question and are anxious that this parliament should do something towards adopting a national flag for this new nation—Canada.

I had an opportunity this past summer of attending two meetings of people of racial origins other than those of people from the British Isles, and I noted that the flags of the countries to which they originally belonged held a predominating position. I was interested, too, in listening to the speeches that were made at those meetings in connection with the countries from which these people came, and in their statements as to why they came to Canada. They believed that they could better themselves here. They apparently believed that they were going to help build up a new nation on this north American continent; that they themselves were going to play a part in its building up, and I wondered on those occasions why people who came here with such ambitions should not have an opportunity of honouring a national flag in their new land as they honoured the flag of the old land from which

they came. These people now constitute a majority of the people in this country, for according to the 1931 census, the people from the British Isles and their descendants constitute a minority, and I believe that from 1931 onwards that minority will be found to be much smaller than it was in 1931. These people came here and brought with them the best traditions of their race, their best thoughts and culture, and they are trying to assist every other nationality that there may be in this land in building up a new nation in Canada.

I have no doubt, after talking to a good many of these people and their descendants, who came here from other lands, that they are prouder of what took place at the imperial conferences of 1926 and 1932 than we who constitute the British stock. They realized they were in a country where they were going to share in building up a new citizenship and a new nation. They are trying to play their part, and we are not being asked to do very much when we are asked to give them an opportunity of honouring a flag that they can use in place of the flag of their old land. Many of these people came from strife-torn Europe. From their childhood they may have been taught to harbour resentment against some other European country. They may not look upon the union jack with just that reverence and honour with which those of British stock view it, but they know it is a British possession—

Mr. LENNARD: And they should honour it.

Mr. BOTHWELL: And they do. But they may not look upon it with the same honour and respect and reverence that we do. Let us give them an opportunity to develop the pride they have in their new land and in the citizenship they are building for themselves. That is one thought, Mr. Speaker.

The next one came after the coronation ceremonies in England last year. I was interested in reading the newspaper accounts of them, and proud of the part that Canada played, proud to know just how Canada was honoured at that great pageantry of empire. I want to read to the house a few lines penned by a man who used to sit in the press gallery of this house, who happened to be in London at the time, giving his impressions of the position that Canada occupied in British eyes, even though she was the senior member of the commonwealth of nations at that great ceremony. He says:

> Most Britons resent Canada sponging on the old land for a flag. Moreover Canada's poverty of national pride (if the British people did not ignore it) would sensibly diminish what might be called the glorious pageantry of empire.

And again:

> It was irritating to a Canadian in England during the coronation celebrations to see this bogus Canadian ensign everywhere; to see Canada's ministers of state riding in motor cars on which the Lancashire-made emblem was flown. No doubt, if Premier Mackenzie King and his colleagues had done the right thing they would have asked that these illegal ensigns be taken down and would have pointed out to the British government that Canada did not want a flag of its own but preferred to use the British banner. Such a request almost certainly would have been refused. The British still have a keen sense of national pride. They want their own place in the empire and they would find it impossible to understand why the senior dominion desired to confuse its identity with that of the parent member.

Mr. BENNETT: Who wrote that?

Mr. BOTHWELL (reading):

> To use a British flag at the great spectacle of the gathering of the empire at the Aldershot tattoo would be to confuse the spectators. Nobody would know that the soldier carrying a second British flag represented Canada . . . Unless a spectator was so close that he could see the maple leaf on their badges, a British flag would mean that here was another regiment of home troops.
>
> In Britain, of course, this is an utterly impossible situation. A Canadian flag, in Britain, is a necessity. If one doesn't exist, it has to be invented. And hence, it is, that the textile manufacturers of the north country have discharged the function of the parliament of Canada and have produced millions of bits of bunting which are sold and displayed as Canadian flags. Incidentally, all the other dominions—Australia, New Zealand, Newfoundland and South Africa have spared Lancashire this trouble.

That was at the coronation, Mr. Speaker.

Mr. BENNETT: Whose statement is that?

Mr. BOTHWELL: That was written by Grant Dexter.

Mr. BENNETT: I thought so.

An hon. MEMBER: That damns it.

Mr. LENNARD: A native son, I suppose.

Mr. BOTHWELL: I hope so. I have no doubt he is. Is the hon. member saying that being a native son is something to be ashamed of?

Mr. YOUNG: Has the hon. member any objection to a native son?

Mr. LENNARD: Of that type—yes.

Mr. BOTHWELL: He writes as follows in connection with his journey to the continent and what he saw and heard there:

> At Amiens, in the cloistered stillness of the chapel of the cathedral, the Canadian flag question took on a different aspect. Britons, Australians, New Zealanders, Newfoundlanders,

South Africans and Canadians died in the great battle which was fought a few miles to the east of the city in those terrible days of 1918 when the last desperate onrush of German troops threatened to snatch victory from defeat. Southeast of the city, in the little village of Moreul, the name of Canada is written on the hearts of the villagers; they repeat the name Canada as they would the name of the patron saint. Just outside the village are the woods of Moreul which were held by the Canadian cavalry brigade. No country ever paid a higher price in the blood of its manhood for any bit of land than did Canada for these few acres of grass and trees. . . .

One of the leading citizens of the city happened to be in the cathedral when it was visited and volunteered to act as guide. The writer put to him a question which haunts the battlefields. "Do you regard it as a miracle that men from the ends of the earth—from Australia, Canada, the United States, New Zealand, South Africa and elsewhere came here and died in the defence of land that could not possibly have any importance to them?" . . . . . The guide replied, "Yes, a thousand times yes. These men were called of God in the defence of civilization and we were specially blessed that our lives and our homes were defended. Here in our cathedral we have tried to show our gratitude not only to God but to the men who died."

He led the way around the altar to where, on one side of the lady chapel were hung the flags of those countries whose soldiers had stood between Amiens and the invader. He went on to explain that there was no flag for Canada and the people of Amiens deeply regretted this was so. Canada, alone, was missing. But it was not their fault. They had tried to obtain the Canadian flag. They had taken the matter up with the government at Paris and had been told that there was no Canadian flag. It would not be right, he said, to hang a second British flag. He felt and his fellow townsmen felt that this would be unworthy of Canada and, in any case, would be meaningless—since one British flag was there already. If the writer could assure him that there had been any change in this situation, the city of Amiens would write to Paris immediately. Unfortunately no assurances could be given. It did not seem right that the Canadian boys, of all who fell in the battle of Amiens, should not be remembered in this ancient and holy place.

Reading that article by Grant Dexter, I came to the conclusion that if I had an opportunity of speaking on the flag question in the House of Commons at this session I would embrace that opportunity. For the three reasons I have given, I hope that the house will see its way clear to grant the prayer of the resolution and appoint a committee to consider a flag. I also have received many cuts of flags, some of which will provoke discussion to such an extent that I believe any committee appointed from this house will be able to work out a flag which will truly represent the new nation of the north American continent—Canada.

Mrs. MARTHA LOUISE BLACK (Yukon): As a life member of the Imperial Order of the Daughters of the Empire, I feel that I would not be doing my duty if I did not say just a few words on this question.

We are talking of the flag, the union jack, and of foreigners who come to this country. When they came here they came under the protection of the union jack, knowing what the union jack stands for on land and sea in Australia, in New Zealand, in India, in Canada itself. Surely they did not come thinking they were going to live under the protection of a newly made flag. Let those of us who perhaps think the union jack does not mean so much, who may be forgetting what the union jack typifies, what it means, what it holds, reflect that we have the tricolour of France in the red, white and blue; white, for purity of purpose; blue, for tenacity; and red, for steadfastness in time of trouble; the cross of St. Andrew, for the Scots; the cross of St. Patrick, for the Irish; and the cross of St. George, for the English. I ask all hon. members to stop and think before they tamper with the union jack, which has meant so much for ages past.

Mr. J. A. BRADETTE (Cochrane): I want to compliment sincerely and highly the hon. member for North Battleford (Mr. McIntosh) upon the attitude and energy he has shown over a good many years in bringing this resolution forward for discussion on the floor of the House of Commons. At first, it is certain, it was a thankless task; but there is no doubt in my mind that the fine ideals he has propounded and the wonderful publicity they have received throughout the length and breadth of this country, through this discussion on the floor of the House of Commons, have brought about a condition of public opinion wherein I am convinced that a majority of the Canadian people would like to have a distinctive Canadian flag, which, from their viewpoint, would consolidate their bonds with the other parts of the British commonwealth.

(Translation). Mr. Speaker, I wish to offer the right hon. the Minister of Justice (Mr. Lapointe) my most sincere congratulations on this, the thirty-fourth anniversary of his parliamentary activities in this house. May he be spared for many more happy years to his own family, as well as to the large Canadian community, who look to him with such confidence in the federal field.

(Text). I wish to say a few words to the hon. member for Davenport (Mr. MacNicol) for whom I have the greatest respect. For the life of me I do not know why this afternoon he took occasion to cast reflection on the whole House of Commons. It has always been a revelation, to me at any rate, to see the parlia-

mentary system we have in Canada, a system that has been inherited from the mother of parliaments, Great Britain; and one interesting aspect of that system is the provision for private members' day. Apart from the activities of the government, and altogether irrespective of the party in power, it is always possible for members of the House of Commons to bring forward any questions in which their constituents and the country are interested and submit them for the consideration of the house. Private members' day is, in my opinion, one of the best safety valves that any democracy could have.

I can assure the hon. member for Davenport that we have not been wasting time in the discussion we have had during the past two weeks in the debate on the address. The hon. member, I suggest, should be the last man to have the audacity to say that during those two weeks we have been wasting the time of the house in discussing the speech from the throne. Of course, it was a foregone conclusion, not only because of the government majority in the house, but also because of the excellence of the legislation forecast in the speech from the throne, that the address would be carried. I did not participate in the debate on the address, but I found it instructive and illuminating. Why? Because, in this wonderful national forum, I could hear the representatives from every part of this far-flung dominion, from the Atlantic to the Pacific, express the views of their electors. Surely the hon. member would not say that those were lost days. The motion could have been voted down in one or two days, but this is an open forum where members can bring forward and discuss any questions they are interested in. There are many other resolutions, besides this one with respect to a distinctive national flag, that will be brought forward on private members' days, and one is glad to think that private members will have an opportunity to present their motions. The provision is a very wise provision, because it gives leeway to private members to present to the nation at large through the House of Commons the views of their particular constituencies, and allows the movers to present their particular viewpoint.

The hon. gentleman said that Newfoundland had no flag. I wish to correct him; Newfoundland has a distinctive flag. There is a union jack on it, and I agree with the statement that there is not a member of this house who would like to see the union jack disappear entirely from the Canadian flag that we shall have eventually. On the flag of Newfoundland is the escutcheon of that dominion, with the words Terra Nova and other Latin expressions. The hon. member for Davenport was not correctly informed when he said that Newfoundland had no flag.

Mr. MacNICOL: I do not recall having said that Newfoundland had not a flag of its own. I did say that the land flag of Newfoundland is the union jack; their merchant marine flag is a red ensign with a coat of arms on it, and the government marine flag is a blue flag with a coat of arms on it.

Mr. BRADETTE: Canada has attained national status; but it has been well said that, unlike Great Britain, our history does not go back into the many centuries of the past; and while the union jack evokes the loyalty of all Canadians it is not a distinctively Canadian flag. So far as I am personally concerned, the tricolour suggests only the flag of France, and if I had any say about the matter I would rather have the flag that was flown under the old royalty. But it does not satisfy us, because they are not and cannot be our flags, these two flags of France.

I do not deplore the fact, as some people seem to do, that our neighbour is the great republic to the south of us. Many hon. members take occasion every now and then to cast slurs on the United States, but in my opinion we need have no regrets at being so close to that country. I do not take a back seat to anyone when it comes to loyalty to British institutions and to the British flag. I have studied the history of Britain and I believe I speak for all French Canadians when I say that they are absolutely loyal to British institutions and their ideals. But at the same time we belong to the British Commonwealth of Nations and Great Britain is absolutely satisfied to recognize our complete status as a nation. In other words, we must realize that the more intensely Canadian we are, the more British we are likely to be.

We have only to read what Lord Darling said when he visited Canada the last time—that the strength of the British Empire lies in the strict independence of its component parts and in its apparent weakness. We are not bound to Great Britain by any bonds of iron and blood. It is one of the striking revelations of modern history that, whereas twenty-one years ago the other nations of the world could not understand how it was possible for the British Empire to hold together without armies of occupation, the common loyalty of the people throughout the empire to the same ideals has been evidenced time and again in recent years. It was not any bonds of iron

and blood that held us to the mother country during the war but purely and simply our common sympathy and the love we have for those "tight little islands" across the sea and what they represent. I myself, as a representative of the minority in Canada, rejoice in our freedom in both creed and language. This is the true spirit that helped to build that wonderful empire; it is the spirit that should animate all parliaments within the empire. Great Britain would be the first to welcome on the part of the Canadian people a distinctive flag of their own.

In August, 1928, during the Olympic games in Holland the governors were surprised, when young Percy Williams covered Canada with glory, winning the 100 metre race, to discover that Canada had no distinctive flag. Surely that is an anomaly.

We hear a good deal that is derogatory of the United States, but it would do many "little" Canadians good to visit that country more. It would not take them long after crossing the border to appreciate how intensely national the people there are, whether they are of German or Polish or any other extraction. They are all Americans, no matter whether their ancestors came from Germany, Ireland, England, or anywhere else. Unhappily, we in Canada do not cultivate that spirit sufficiently. The question has been asked, Who brought the immigrants into the section of the country I come from? Well, it was the old parties, Liberals and Conservatives, that brought them in. We must all share the responsibility in this matter. We are trying to make good Canadians of them, and they will be good Canadians if we give them the opportunity. In my section we have people from all parts of Europe, and they are intensely nationalistic. They have the greatest respect for their own flags, and when they come here they are surprised to find that there is not a distinctive Canadian flag; they cannot understand it. On many occasions I have seen some of these people parading with their own national flags. I asked one man why they did this, and in reply he wanted to know what our Canadian flag was, and said how gladly and quickly he would make it his own.

The hon. member for Davenport says that the legionnaires are opposed to a Canadian flag. I can assure him that there are thousands of fine legionnaires in my riding, and I know that the great majority of them are in favour of such a flag for the good reason that they are both Canadians and good Britishers.

I also have Sons of England in my constituency, and I have spoken of this problem to them. I have asked their opinion in regard to a Canadian flag, and almost always they gave me the same answer, that it was absolutely possible and feasible to be good Britishers and still have a distinctive flag for Canada. I am making these statements at this time, Mr. Speaker, because I do not want any innuendoes against the reputation of the Sons of England or any other section of our Canadian population, as all sections are naturally open-minded and broad-minded.

I do not desire to deal further with this subject to-night, Mr. Speaker; but I should like to express the fervent wish that it might be found possible at this session to send this resolution to a special committee, where it might be discussed on its merits, even though no legislation in regard to the matter were introduced this year. Finally may I express the sincere hope that eventually Canada, one of the jewels and the senior member of the British Commonwealth of Nations, will have a distinctive flag which will be absolutely Canadian.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I have only a few remarks to contribute to this enlightening and instructive discussion of a matter which has been brought up in parliament to-day for the first time since I came here in 1936. I want to congratulate the mover (Mr. McIntosh) of the resolution. His presentation of his arguments showed careful preparation and an undeniable conviction behind his sentiments. But, unfortunately, I must say that I was unable to agree entirely with the arguments advanced by the hon. gentleman. I want also to congratulate the hon. member for Davenport (Mr. MacNicol) on his contribution to this debate. I am sure most hon. gentlemen will feel much better after listening to the hon. member for Davenport describe exactly where the various parts composing our flag came from. I think he went back just about as far as any human being could go; I was afraid he would not stop until he had the pillars of King Solomon's temple embedded somewhere in the flag.

What I have to say in regard to this resolution is said entirely in a spirit of toleration and with all good will towards the various nationalities throughout our country who are not of the same racial extraction as myself. I make no apology, however, for belonging to a family which originally came from northern Ireland. At the same time I desire to make my remarks this evening in a spirit of great tolerance, because after all that is one of the things most essential in Canada as far as our national unity

and national progress are concerned. During my remarks on the address in reply to the speech from the throne I made the statement—and I still stick to it—that in this country there is just a little too much talk about national unity and such things and perhaps not quite enough action and work towards that end. I am not so sure that a question so controversial as that raised by this resolution is a proper question to be brought up at this stage of our national development. I am not dogmatic in connection with this matter; I do not profess to have all the solutions for this problem which has been brought before the house, but I do say that we must exercise the greatest care and caution at this time because this is a critical stage in our national life. A controversial issue of this kind—and I think I make this statement in all fairness—which does not affect the very livelihood of the people, their food and shelter, is something which I do not think should be interjected into the proceedings of the house at this time. It is a matter which I think could very well be left over until another time without in any way dealing with the question on its merits, as to whether there should be a change or whether the same old flag should continue to fly over Canada.

I want to give credit to the nobility of impulse and the sincerity of purpose not only of the mover of the resolution and those who have supported it but also of those great bodies of public opinion which no doubt are urging that there should be a change in the flag of our country at this time. I have no intention of casting any aspersions upon those holding such ideas. They may be just as worthy as mine; but I submit, most respectfully, that we should not accept that argument at this time. We must deal with these questions with broad common sense and vision. I have no intention of wrapping myself in the union jack in discussing this matter, nor have I any intention of arousing any latent sentiments which might not do justice either to the resolution or to myself. There are, however, in Canada two very well defined, strong viewpoints held by perfectly sincere and honest people, which viewpoints are diametrically opposed in regard to this question of our flag. While those views are held so strongly, and since this controversy is of such a disputatious nature, I would submit most respectfully that it would be a move in the best interests of Canada if the resolution were withdrawn and not brought up for discussion at this time.

In addition, Mr. Speaker, there is another cogent reason why the resolution should not be sent on to a special committee. There are many, many questions facing the parliament of Canada to-day. There are many matters of transcendent importance to the people of our land, and I notice that in 1933 the mover of this resolution, the hon. member for North Battleford, had something to say with regard to the withdrawal of his resolution at that time, very similar to what I am going to suggest to-night. I shall not attempt to read all that the hon. member said at that time, but at page 1837 of Hansard of 1932-33 the hon. gentleman said:

> . . . I am going to ask that the house postpone its consideration of this resolution. The fact that many Canadians are without food, clothing and shelter causes me to withhold this resolution until some future occasion when it may be discussed under more auspicious conditions, thus helping rather than perhaps hurting a cause so near and dear to all Canadians strong in their national and empire zeal and faith. When this time rolls around I hope parliament will come to a flag conclusion that will redound to the welfare of this country.

To-night I take a similar view as to the propriety of this discussion. I believe to-day, as at no other time in my brief existence, the people of Canada are looking with eager and very critical eyes, on every move that is made in this parliament, because of the economic stringency through which many have passed and through which hundreds of thousands are still passing. While these matters remain for our consideration and these problems await solution, shall we as a house make ourselves ridiculous by attempting to discuss something which is not putting first things first?

In the resolution the mover, in all fairness and sincerity of purpose, whether deliberately or otherwise has put the cart before the horse. I say the resolution is not fair to those who are urging a change in the flag at this time. I believe the present situation is comparable with one where a city salesman, well dressed and riding in a shiny car, stops at a farmer's gate and, in order to sell the farmer a certain book, enters into conversation with him. The name of the book is Farming, And How To Make It Pay. At this particular time the farmer is trying to get the last two loads of hay out of the field before the rain clouds open. Without any reflection upon the book or the salesman, it is evident that a most inopportune time was chosen to make the sale, and the salesman was not likely to receive a warm welcome.

A comparable situation exists with respect to the resolution before us. I would implore the hon. member for North Battleford not to bring the matter before a special committee, because I believe the time is inopportune.

Whatever may be the merits or demerits of the resolution—and there is scarcely a resolution in which good and bad could not be found—I believe this is not the proper time for discussion.

Although I do not intend to enter into detail, I should like to point out, by way of caution and warning, that it is going to take all the tolerance, all the care and all the patriotism at the command of the Canadian people or a committee of parliament to evolve a flag which would meet with such widespread approval as the flag we now have. I leave that as a word of caution, because after all we have to be most careful in making changes of this kind. When it is a matter of bettering the conditions of our people I am certainly in favour of change, but may I close by saying simply that we can work towards bettering those conditions under the old flag. Let us leave the old flag as it is, without changing to a new one at this time.

Mr. T. J. O'NEILL (Kamloops): Mr. Speaker, may I congratulate the hon. member for North Battleford (Mr. McIntosh) upon the able manner in which he presented the resolution to the house. I wish I had the powers of oratory displayed by hon. members who have spoken. At least in some respects I agree with the hon. member who has just taken his seat, and if by refraining from speaking on the question it were possible to relieve the distress of the many thousands in Canada who need help, I would take my seat at once. However, that would not follow.

I noticed, as the hon. member for Cochrane (Mr. Bradette) said, that for the past two weeks we discussed an amendment to the address in reply to the speech from the throne, well knowing that the address would be adopted. Despite our knowledge of that fact, ten days of the time of the house were taken up in a discussion of the amendment.

It seems to me that Canada has assumed the responsibilities of a nation, and she has the right to make decisions regarding her participation in world affairs. That right is vested in Canada's parliament, without regard to the decisions of the mother country. I was born in Canada. My father and mother were born in Canada. My grandfathers and grandmothers, great grandfathers and great grandmothers all came from Ireland. I am proud not only of the fact that I was born in Canada but, too, of my Irish ancestry. The Irish have always contended that it was their right and privilege to fight within the empire. But when the empire is attacked from without, that is another matter entirely. I have no fear for the loyalty of Canadian people.

[Mr. Graydon.]

It would be quite impossible to decide upon a flag which would meet the approval of all the people. It is not so long ago that "O Canada" was not sung at the opening or closing of concerts. Eventually people found out that the singing of "O Canada" would not make them disloyal to the empire, but that on the contrary it was an indication that they were more loyal. Then we entered into a controversy as to what version of "O Canada" would be sung. Even to-day all people are not united on that point. Eventually we shall all sing one version, but in the meantime the empire will not be disrupted nor will Canada be charged with disloyalty.

I cannot see why Canadians could be considered less loyal or less British if they were to have a distinctive Canadian flag. Last summer we were visited by the South African Lawn Bowling Club, and the members who came to Canada were amazed to find out that we have not a flag. Many designs have been suggested, and of course I have personal preferences. I should like to see the union jack and the maple leaf embodied in the new Canadian flag.

However I am more interested in the principle. The principle involved is that Canada should have a distinctive Canadian flag, and I think that this session of parliament should not dissolve without recognizing that principle. For these reasons I have much pleasure in supporting the resolution.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, mention has been made during this debate of the fact that the resolution we are now considering has been brought forward in previous sessions, and that much of what has been said has been a repetition of previous discussions. In my opinion that is all to the good and, in view of the subject under consideration, most fortunate.

Wherever there is a suggestion of change or a suggestion of departure from custom, numbers of people find such a course unpleasant even to contemplate. It is only by degrees that many of us find it possible to free ourselves from that to which we have grown accustomed. The arguments which have been urged against having a distinctive Canadian flag have to a great extent been arguments associated with profound sentiment and tradition. While these considerations are admirable in themselves, they are not necessarily decisive. Especially in times of change, we must look not only to the past but also to the future.

I consider it fortunate that the resolution has come before the house as a private member's motion. As has been said by one hon.

member, when the subject is presented in this way hon. members generally have a sense of greater freedom of discussion. It removes the possible feeling of restraint which a government measure might occasion and permits much more in the way of a free and frank expression of view than would otherwise be the case. I agree with the hon. member for Cochrane (Mr. Bradette) when he says that this debate has been characterized by an expression of views which will be distinctly helpful in the forming of public opinion on this all important question.

I should like to congratulate the hon. member for North Battleford (Mr. McIntosh) for having brought forward his resolution thus early in the session, and particularly upon the admirable manner in which he has presented the arguments pro and con. I shall not attempt in any way to review the discussions which took place on similar resolutions in previous years as those debates have been admirably covered by the hon. member for North Battleford. I would like, however, to call attention to the wording of the resolution. I was surprised to hear some hon. members express the opinion that the adoption of this resolution meant an immediate decision upon a design for a distinctive national flag. The question of design is entirely apart from anything that appears in the resolution. The resolution simply calls for a declaration as to the advisability of adopting a distinctive Canadian flag. If a committee is appointed and reports favourably upon the adoption of a distinctive national flag, and the committee's report is adopted, the question of design would then come up at a later time. The resolution reads:

> That, in the opinion of this house, a special select committee be appointed for the purpose of considering the advisability of adopting a distinctive Canadian flag, representing Canada as a whole, thereby symbolizing the dominion as an equality partner in the commonwealth of British nations.

The important words are "the advisability of adopting a distinctive Canadian flag." I cannot see why any hon. member of the house should be at all fearful about leaving to a committee of this house the consideration of the advisability of adopting a distinctive Canadian flag. The committee would be called upon to consider the expediency of making a declaration of that kind at this particular time. Undoubtedly it would take into account the fact that there may be considerable difficulty in getting agreement as to what design should ultimately be adopted for a distinctive Canadian flag. The possibility of such disagreement might conceivably be regarded as being so important that it might seem to the committee inadvisable to recommend the adoption of a distinctive Canadian flag. Personally I do not think that such would be the case. All that the house is being asked to do at the present time is to permit a committee of its members to view the situation from as many angles as possible and to report back as to whether or not they feel the time has come when Canada should adopt a distinctive national flag.

The historic facts in reference to Canada's flag are really most pertinent in a consideration of this matter. They afford strong reasons, it seems to me, why we should feel that the time has come when Canada should have a distinctive national flag. There are also practical reasons of necessity which make this desirable.

Let me briefly outline a few of the facts. I shall seek to set them forth in as concise language as I can. Following the conquest, British immigrants to Canada brought with them the British flag and it was everywhere recognized as the emblem of the colonies as of the mother country. After 1801, the union flag, more commonly known as the union jack, became the flag of the empire. This situation remained unaltered until after confederation.

Some hon. members on the other side of the house have been speaking as though the union jack had always been the flag of Britain. A great deal of what they themselves quoted went to show that only in comparatively recent times has the union jack been the flag of Britain. Only in 1801 did the union flag, commonly known as the union jack, become the flag of different parts of the empire.

After the formation of the Dominion of Canada the desirability of having a distinctive flag for use on Canadian government vessels became apparent and by order in council of February 28, 1870, the blue ensign, defaced by the Canadian coat of arms, was adopted for this purpose. This was confirmed in the King's Regulations and Admiralty Instructions, Article 123. In other words, a distinctive Canadian flag was found to be necessary with regard to government vessels and an order was passed as many years ago as 1870 to require that the blue ensign, defaced by the Canadian coat of arms, should be adopted for this purpose.

As long ago as 1870 we came to have a third flag, a recognition also of the necessity of having a distinctive flag. There were government vessels, but there was also a merchant marine. With the expansion of the merchant marine the lack of a Canadian flag caused frequent difficulties and after some discussion

the Lord's Commissioners of the Admiralty were prevailed upon to issue a warrant, dated February 2, 1892, authorizing vessels registered in Canada "to wear the red ensign of Her Majesty's fleet with the Canadian coat of arms on the fly thereof."

This practice was confirmed in 1934 in the Canada Shipping Act, 24-25 George V, 1934, chapter 44, section 89. For some years after 1892, this flag was also in practice used on land as the Canadian flag and is indeed still employed in that way by many private citizens. After protests had been made, its use on government buildings in Ottawa was discontinued in 1904 and the union jack was hoisted in its place. Until 1904 we were flying the red ensign on most of the public buildings of Canada.

Mr. BENNETT: With the arms of Canada on the fly.

Mr. MACKENZIE KING: That is right. In that year the practice was adopted of flying the union jack.

How was it that the union jack came to be called the official flag of Canada? It is interesting to note that apparently the union jack was never declared officially to be the flag of Canada until 1911. On April 12 of that year Colonial Secretary Harcourt addressed an official dispatch to the Governor General of Canada declaring that the union jack should be flown on land as the Canadian flag.

Mr. BENNETT: That is the reason it is on this building.

Mr. MACKENZIE KING: That is the reason it is on this building. In the days when that office was still in existence, the colonial secretary indicated to the governor general of this country the flag that was to be used. But the office of colonial secretary has ceased to exist in so far as it is applicable to Canada. There remains of course a colonial secretary, but he no longer has to do with the affairs of the self-governing parts of the empire. For this purpose a new office has been created, that of secretary of state for the dominions. I would respectfully point out that there is a vast significance in this change of office, a significance which has its application to the question under discussion at the moment. The question is whether or not Canada, as a self-governing dominion with equality of status with Great Britain and the other self-governing dominions, should not have, as they have, a distinctive flag, instead of having a flag which is the flag of the colonies of Great Britain and of none of the dominions save our own.

In 1911, under a memorandum of agreement between the British Admiralty and the Canadian government, ships of the Royal Canadian Navy were instructed and authorized to fly the white ensign at the stern and the blue ensign, with the coat of arms of Canada on the fly, at the jack staff. This was confirmed by Canadian government order in council of December 16, 1911.

Difficulties having arisen in Canadian government offices abroad, due to the lack of a distinctive Canadian flag, an order in council dated January 26, 1924, was passed, authorizing the flying of the red ensign, with the Canadian coat of arms on the fly, "from all buildings owned or occupied by the Canadian government and situated without Canada."

So we have to-day the curious anomaly that the flag, which we fly in Canada as the official flag, is flying by virtue of some direction which came from the colonial secretary in Great Britain, whereas the flag, which Canada flies as her own flag on buildings outside Canada, is a different flag and is flown by virtue of an order in council which was passed by the government of Canada itself. If there were no other reason, I think that fact of itself makes it apparent that the time has come when a distinctive national flag, if one can be agreed upon, is in every way desirable so far as Canada is concerned.

Now what about the emblem itself that appears on the flag? The Canadian coat of arms used on the various flags consisted until March 31, 1924, of a shield upon which were quartered the arms of Ontario, Quebec, Nova Scotia and New Brunswick. On that date, as late as 1924, the new Canadian coat of arms which had been assigned to the dominion by royal proclamation on November 21, 1921, was authorized for use on the flags. Thus, the Canadian flag itself, so-called, when it is officially used in this way, is one that has undergone considerable change in recent years.

Hon. members who were in this house some sessions ago may recall that in 1925 the government announced the appointment of a committee of civil servants to consider the question of a distinctive Canadian flag. That committee had been set up by one of the government departments, the Department of National Defence. The fact that such a committee was set up at all may serve to illustrate one of the practical needs of a distinctive national flag so far as Canada is concerned. I have drawn attention to the fact that the British Admiralty found the necessity of having a distinctive Canadian flag so far as

Canada's merchant marine was concerned. As flying developed in this country, the members of the air forces felt that it was desirable, in connection with the manoeuvres in which they would have to engage, that there should be some distinctive Canadian flag associated with their service. As hon. members know, there are, on occasions, manoeuvres when the forces are interchangeable as between different parts of the empire, for purposes of training, exhibition and the like. To distinguish the forces of one part of the empire from those of another in these manoeuvres it became obviously desirable that there should be a distinctive flag.

It so happened that the departmental committee which I mentioned a moment ago had a complexion which was not wholly congenial to all parts of the house and the country. It was a mere accident that it so happened that all of its members were found to be of one religious persuasion. Immediately a section of the press of our country interpreted that circumstance as evidence in itself of some evil design. It was therefore thought advisable that the committee should be discontinued, as it was shortly after its formation. But the purpose of the committee was a thoroughly practical, a thoroughly good and a thoroughly necessary one, namely, to see if it were not possible to work out some distinctive flag that could help meet the needs of the forces of the Canadian Department of National Defence. The fact that some years ago it was thought desirable, from the point of view I have indicated, to have the question of a distinctive Canadian flag considered by a committee of civil servants, seems to me to make it desirable that parliament should not delay longer in seriously considering the question, and at least taking the first necessary step to ascertain whether agreement can be reached as to the advisability of adopting a distinctive Canadian flag. I believe the fact that the committee made the venture it did, in the circumstances it did, has operated to postpone further consideration of the question in a way which otherwise would not have taken place. The suggestion that a committee of this house should consider the matter ought to make it possible for us to ensure the personnel of the committee being as representative as possible of all shades of opinion in this house. Such a course will enable the first step to be taken, certainly without any danger, and with a great deal to commend it.

There are many positive disadvantages and difficulties existent to-day in not having a distinctive Canadian flag. Certain of these have been mentioned in the course of the debate to-day. Perhaps I may briefly summarize the outstanding ones.

First of all there is the necessity of a Canadian flag for use on Canadian official buildings abroad. I ask hon. members, if Canada is to have legations, and I assume that we shall expand our legations rather than contract them, if we are to have commercial offices in different parts of the world, is it not also desirable for us to have a distinctive flag of our own to fly over them? As it is, we have for the purpose only a make-shift flag to-day. We are not using abroad our national flag, the flag that is the national flag at home, the union jack. At the present time the Canadian marine flag is flown over official Canadian premises abroad.

We are thus faced with the anomalous situation of the Canadian government using one flag in foreign countries and another flag at home. This is an absurdity to be found in the practice of no other country.

On the other hand, would any hon. member suggest that we should have flying from the Canadian legation in Washington, for example, the same flag that flies from the British embassy in Washington? Take the position in Tokyo. Are we to have the same flag flying from our legation there as flies from the British embassy? The same thing applies in Paris. London itself makes the need even more self-evident. Are we to have flying from the Canadian building in London, in the heart of the city, simply the union jack, while across Trafalgar Square you see the flag of South Africa, and a little further along Northumberland street the distinctive flags of Australia and New Zealand? And where there are other government offices representative of other parts of the empire, you see their distinctive flags flying from their buildings. The very fact that we are confronted now with that situation seems to me to make it imperative that we should not longer delay consideration of the advisability of having a distinctive Canadian flag.

Mention has been made of our war memorials in France, in Belgium, in Great Birtain and elsewhere. The hon. member for Swift Current (Mr. Bothwell) read this evening some dispatches which bear out notes I had made to the effect that correspondents have frequently pointed out that in cathedrals in Europe, where the flags of the allied powers have been enshrined in memory of the men who fell in the Great war, no Canadian flag is to be found, although the name of Canada is included in the inscription which

accompanies the flags. So long as the union jack is the only official Canadian flag available for such use, the dominion will continue to be unrepresented, because the union jack will already have been used to represent the United Kingdom.

Then there is the matter of the necessity of a distinctive flag for use at international conferences. At all such meetings, when the United Kingdom is represented, the union jack will be used by the delegates from London. Even when the United Kingdom is not represented, the union jack is indelibly associated with that country in the minds of foreign observers, and its use will not gain for Canada the distinctive recognition which a national flag is supposed to evoke. When both London and Ottawa are represented at such international gatherings, the use of the union jack by the Canadian delegates will tend to identify them as part of the United Kingdom delegation. Such use might well be resented by the representatives of the United Kingdom. We had this extraordinary anomaly at the time of the coronation and of the recent imperial conference, that when my colleagues and myself arrived in London we were met at the station by representatives of the British government who told us that they had placed automobiles at our disposal for the time of the coronation and the conference, as was done in Ottawa by the government of the day for the delegates who came here on the occasion of the conference of 1932. Over the radiator of each of these automobiles was a Canadian red ensign. We were told that that flag had been put there so as to distinguish our cars from those of the other self-governing dominions and from the cars used by members of the British government. All the time we were in London we were, by the act of the British government itself, expected, wherever we went, if we were travelling by motor to travel in a car which carried, not the flag which on the authority of the British government is the flag of Canada within the dominion, but the flag which is flown outside the dominion and flown, not as is the case with the union jack in Canada itself, but under an order in council of our own government making a different provision. That of itself, as I have already remarked, is a most curious anomaly. It shows the necessity—the necessity from the point of view of the British government as well as our own—of Canada having a distinctive flag. I cannot see wherein there is any sacrifice of sentiment or loyalty in the desire on the part of its citizens that one's country should be known in other parts of the empire or in other countries of the world.

[Mr. Mackenzie King.]

There may have been a time when we were a colony, under the old colonial status, when we would perhaps have wished to use a flag that was symbolical, not only of the mother country, but of all the colonies as well. Having, however, reached the status of full nationhood, it becomes essential, if we are to be distinguished from other nations of the commonwealth, not to mention colonial possessions, that we have a distinctive flag of our own.

Reference has also been made this evening to the need for a distinctive flag at international athletic meets. At the olympic games and the empire games, Canada in practice is now represented by the marine flag and not by the national flag. There is nothing to justify such abnormal practice except necessity. No other dominion and no other country would think of being so represented. At the Antwerp olympic games in 1928 the confusion over the Canadian flag caused a great deal of trouble and no little annoyance.

I have already referred to the need of a distinctive flag by the Canadian defence services at home and abroad. When details of the Canadian military forces appear at home or abroad they carry the union jack as their national flag. This means that by many they are identified with or mistaken for imperial British forces, unless the observer is close enough to see the maple leaves on the uniforms, whereas the defence services of other dominions are all readily recognizable where they appear, as at the recent coronation services and other great occasions.

The red ensign with the Canadian coat of arms is used at sea. Surely it is absurd to argue that a distinctive flag for use on land is a sign of disloyalty when a distinctive flag is already in use on the sea.

I would conclude this part of what I have to say with the observation that the continued use of the union jack gives a false impression abroad, and particularly in the country immediately adjoining. The use of the union jack on anything that is distinctively Canadian in the United States does not help to emphasize the individuality of this country or its distinct nationality; it helps to submerge them altogether.

I do submit that, viewing the matter historically, viewing the matter sentimentally, or in any other way, the argument all lies in favour of recognizing that the time has come when we should very seriously consider the adoption of a Canadian national flag. I would point out that as our constitutional development has undergone considerable change, it is only appropriate that there should be in connection with that statutory change the change

in other particulars which may be necessary to make distinctive in the eyes of the world the different dominions which now have the equality of status of which we speak so frequently.

There is no doubt that the great war more than anything else was responsible for developing a strong national sentiment. I believe that those who served overseas for the most part came back more zealous than any other proportionate element in our country to have a distinctive flag which would designate their own forces and help to let Canada stand henceforth in the place in which she has the right to stand.

Coming to developments which followed the great war, developments on constitutional lines, we had first, as the most prominent of the declarations, relative to our position as a nation, the report of the imperial conference of 1926, which made quite clear the position which Canada along with the other dominions had attained. This report has been referred to frequently in previous sessions of other parliaments, but there are in the present house many hon. members who were not here in the last parliament, and it might be of interest to them, in this particular connection to hear words that appear in the prefatory part of this report of the inter-imperial relations committee, which was a committee of the imperial conference of 1926. Perhaps I should preface the reading of what I wish to quote, by saying that the chairman of that committee was the late Lord Balfour, as great an imperialist, possibly, as the British Empire had, but a great political philosopher as well, and one who was capable not only of viewing the past but also of glimpsing something of the developments of the future. The wording of this report seems to me to disclose the wisdom of this country speedily making a decision with respect to a flag which will be distinctive in its nature. The report reads:

> The committee are of opinion that nothing would be gained by attempting to lay down a constitution for the British Empire. Its widely scattered parts have very different characteristics, very different histories, and are at very different stages of evolution; . . .

That is a point to which I wish to call attention particularly. The colonies are still at the colonial stage, they are still using the union jack which is the flag of the mother country; but the self-governing dominions, with the single exception of Canada, have all distinctive flags of their own. The report goes on, referring to the empire:

> —while, considered as a whole, it defies classification and bears no real resemblance to any other political organization which now exists or has ever yet been tried.
>
> There is, however, one most important element in it which, from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the dominions. Their position and mutual relation may be readily defined. They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.
>
> A foreigner endeavouring to understand the true character of the British Empire by the aid of this formula alone would be tempted to think that it was devised rather to make mutual interference impossible than to make mutual cooperation easy.
>
> Such a criticism, however, completely ignores the historic situation. The rapid evolution of the overseas dominions during the last fifty years has involved many complicated adjustments of old political machinery to changing conditions. The tendency towards equality of status was both right and inevitable. Geographical and other conditions made this impossible of attainment by the way of federation. The only alternative was by the way of autonomy; and along this road it has been steadily sought. Every self-governing member of the empire is now the master of its destiny.

I submit that, if these words had been used by a Canadian member of parliament a few years before this particular document was written, whoever had used this language would by not a few have been written down immediately as a separatist, as disloyal to the empire, and as wishing to make Canada a country apart from it altogether. The thought that we were masters of our own destiny seemed to be abhorrent to the minds of many of our people, who contended that the destiny of Canada could and should be determined only by what might be agreed upon overseas. That day fortunately has long since passed. Canada has come to feel that it is a national entity and that it is entitled to have its national individuality and characteristics known and respected and honoured as they should be in the eyes of the other nations of the empire and of the other countries of the world.

In considering the development which has taken place in the status of this dominion, we are not only justified at this time but are obligated to think very seriously of every aspect of nationhood and of what is essential to the assertion of it. Far from being a cause for separation, or a thought of separation, we should feel, and I believe we do strongly feel, that our national freedom, the free expression of our national characteristics and aims and purposes, is of all ties the one that holds us

the most closely within that circle of communities which form the British Commonwealth of Nations.

What is embodied in this resolution of the imperial conference of 1926 later found expression in the Statute of Westminster. The Statute of Westminster sets forth very definitely certain alterations made in order to remove anachronisms which in one way or another were unsuited to the new relationship of empire as they have developed. There is a more recent development, which lends a new emphasis to the subject we are discussing to-day. I refer to the wording of the oath administered at the coronation of King George VI and sworn to by his majesty himself. On that occasion, for the first time, His Majesty the King undertook, with respect to the relations of the crown to the dominions, to govern each of them according to its own laws and customs, and the coronation oath specifically enumerates the different dominions. I made a reference to this when speaking on the address. May I read to the house anew the oath which was administered to His Majesty King George VI, the obligations of which he promised solemnly to fulfil:

> Will you solemnly promise and swear to govern the peoples of Great Britain, Ireland, Canada, Australia, New Zealand and the Union of South Africa, of your possessions and the other territories to any of them belonging or pertaining, and of your Empire of India, according to their respective laws and customs?

Thus His Majesty the King declared that he would govern Canada according to her particular laws and customs, exactly in the same manner as he would govern Great Britain according to her own laws and customs. Why should not custom of all self-governing dominions be the flying of a distinctive flag that helps to identify one from the other?

Please note that all of the other self-governing dominions already have their distinctive flags. We are not now debating the question whether or not there should be one flag for the whole empire. That question has already been settled by the facts of the case. I believe it was the hon. member for Davenport (Mr. MacNicol) who said that he would like to see one flag for the whole empire. Perhaps a good many would. But that is not the point at issue; it does not come up at this time and is not likely to come up for the reason that already Great Britain, Australia, New Zealand, South Africa, the Irish Free State and India has each a distinctive flag of its own. The Dominion of Canada is the one exception. The point we have to consider is whether or not we should longer remain the one exception, the one self-governing part of the whole British Empire that has not thought it advisable to adopt a national flag. That is the question, and it seems to me that in the light of the past and having regard to the future the question admits of only one answer, which is that the time has come when we should adopt a distinctive national flag.

The perspective of years makes it essential that we should consider at this time the very important question that is now before us, Canada is a growing country. She is going to increase in world influence as well as in numbers and in wealth. She will need more and more her own national emblem.. Moreover, we can consider this question now more opportunely, I believe, than at any other time. I suggest that it is important always to bear in mind that there are times and seasons for all things. There have been times in the past when to bring forward a resolution such as the one now before us would have been to create misunderstanding as to motive, a misunderstanding in other parts of the world as to the significance of the motion itself. I might go so far as to say that had Canada been the first to take such a step, her action might have been misunderstood in other parts of the empire and of the world. If Australia had not already adopted a national flag; if New Zealand had not already adopted one; if South Africa and the south of Ireland had not already adopted their own distinctive flags, then there might be some reason for hon. members to say, "Let us be careful lest we set a precedent which will be followed in other parts of the empire and lead perchance to the dismemberment of the British Commonwealth of Nations." But the fact is that as a result in part of each having its own distinctive flag the other members of the commonwealth have come to have a new pride, not only in their respective countries but in that free association which they together enjoy in the British Empire. In these circumstances, the question for us to decide is whether so far as this matter is concerned we shall remain in our present state of isolation, or, like them, adopt for ourselves a flag which shall be the emblem of our distinct personality as a people.

Let me conclude with these words. There has never been a time, I believe, when the relations between Canada and the mother country were so cordial, so completely friendly, helpful and cooperative in every way as they are at the present time. The present is the time, then, to consider this question. It will not be disposed of, in my opinion, until it is settled in Canada as it has been in the other dominions. If we do not settle it now, some issue may arise in the

course of a few years which will provoke another discussion and lead to the settlement of the question in a manner that may be misunderstood elsewhere. To-day there is no possible danger of misunderstanding on the part of anyone in this country, in Britain, in Europe or elsewhere in the world, as to what Canada has in mind in seeking to have a distinctive national flag.

So, Mr. Speaker, I feel we are greatly indebted to the hon. member for North Battleford who has brought forward this resolution at this time. I hope the hon. members who have expressed quite sincerely their views in opposition to it will feel, once they understand that the motion does not go as far as they thought it did, namely the length of deciding at this time on the design of a national flag but only asks that a committee be appointed to consider whether the time is not opportune for adopting a distinctive flag, that they may support the resolution and allow it to be unanimously adopted.

Mr. R. L. BAKER (Eglinton): Mr. Speaker, I have no intention of addressing the house on this question. I think the matter has been quite fully covered, but in case the resolution should be adopted I should like to offer a suggestion to the mover. I am not declaring my stand on the resolution itself; that is not necessary until the time comes, but I should like to know if the mover would be willing to add the words "with the union jack prominently included in the adopted design," so that the resolution would read:

—adopting a distinctive Canadian flag with the union jack prominently included in the adopted design—

Mr. MACKENZIE KING: The committee might include that if it wished.

Mr. BAKER: Then it would be obligatory on the committee to include the union jack in that design. If that could be done I think it would be a sound step, and I make the suggestion in the interests of safety.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I do not propose to speak at any length on this matter. This question has engaged the attention of the house on many occasions. A resolution was introduced by Mr. Dickie, the then member for Nanaimo, in 1934 and again in 1935. The resolution introduced in 1935 read as follows:

That, in the opinion of this house, a national flag representing the Dominion of Canada should be adopted; and that in any design for a Canadian flag the union jack must be conspicuous.

That motion was seconded by the hon. member who sits to my right, the hon. member for St. Antoine-Westmount (Mr. White), and an amendment was moved by the then member for Parry Sound, the late Mr. Arthurs. The matter was not proceeded with and finally was dropped, because it was thought not desirable to press it in view of the urgency of other business. The present Prime Minister (Mr. Mackenzie King) made a very strong speech about a portion of that discussion and pointed out, as he has this evening, that a committee of civil servants was appointed on one occasion for the purpose of designing a national flag. The present hon. member for Broadview (Mr. Church) read into the record the order in council appointing those gentlemen. I observe that that order in council is set out fully in Hansard, and it provided:

The minister, therefore, recommends that a committee be appointed to consider and report on the most suitable design that should be adopted for a Canadian national flag for use ashore, and that this committee be composed of the following:

G. J. Desbarats, Esq., C.M.G., Deputy Minister of National Defence, Chairman.

Thomas Mulvey, Esq., B.A., K.C., Under-Secretary of State.

A. G. Doughty, Esq., C.M.G., LL.D., Dominion Archivist.

Commodore Walter Hose, C.B.E., A.D.C., Director of the Naval Service.

Major General H. A. Panet, C.B., C.M.G., D.S.O., Adjutant General.

Group Captain J. S. Scott, M.C., A.F.C., A.D.C., Acting Director of the Royal Canadian Air Force.

As was pointed out to-night, that committee did not arrive at any final conclusion. So the matter came into this house, on motion at one time of the hon. member for North Battleford (Mr. McIntosh), with practically the same remarks as he made this afternoon, and the following year on motion of the former hon. member for Nanaimo, who introduced a similar resolution in 1935 On one occasion the present Prime Minister said that he would not favour a national flag which did not make adequate provision for the union jack, and this afternoon the mover of the resolution was insistent that he had no intention of dealing with the matter except on the basis of the union jack forming a conspicuous part of that flag.

The discussion that has taken place to-night, it seems to me, in part at least might well have been reserved for the committee. If a committee of the house is set up, it is for the purpose, as the resolution states, and I direct attention to the language—

—of considering the advisability of adopting a distinctive Canadian flag—

With all deference to my hon. friends who take a different view, I cannot see that the house should not set up a committee to consider the advisability of anything. I see

no reason why it should not. Just why the House of Commons should not name a committee to consider the advisability of adopting a distinctive flag by the Canadian people I cannot see. I confess that I may be very wrong in the view I take, but surely the house can safely ask a committee to consider the advisability of a distinctive flag. It will be observed that the resolution does not go further than that; it states:

—for the purpose of considering the advisability of adopting a distinctive Canadian flag, representing Canada as a whole, thereby symbolizing the dominion as an equality partner in the British commonwealth of nations.

The last part is surplusage, as far as the resolution is concerned; I think that would be agreed at once. All that we are asked to do is to name a committee to consider the advisability of this action being taken, not to determine what the action shall be. I was surprised that the hon. member should have put forward his resolution in those terms, for Mr. Dickie's resolution was far, far wider than that. As will be remembered, Mr. Dickie's resolution provided for the flag itself. I referred to it a moment ago, and I might take time to read it again in order that there may be no misunderstanding. Mr. Dickie's resolution was as follows:

That, in the opinion of this house, a national flag representing the Dominion of Canada should be adopted; and that in any design for a Canadian flag the union jack must be conspicuous.

That resolution did two things. First it said, "We must pass a resolution for the adoption of a Canadian flag," and, second, it said that in that flag the union jack should occupy a conspicuous place. That language was used, with respect to the latter part of that quotation, by the present Prime Minister himself, as well as by the hon. member for North Battleford. In view of what has been said I can see no reason why in the interests of harmony it might not be well for the hon. gentleman, with the consent of the house, to add those words to his resolution. Offences must need come, but woe unto him through whom they cometh. If by adopting the suggestion which has been made any difficulties would be overcome, I think it might be well that the suggestion should be acted upon.

Upon the large question, I expressed an opinion in the house some years ago that I believed it was desirable, as I do to-night, that the country should have some flag by which it could distinguish itself from other parts of the world. But that question is not one which should be debated in the house.

The resolution does not deal with that. It asks that a committee—not this chamber—consider the advisability. When the committee has made its report it will then be for the chamber to consider whether or not that report will be adopted. The history of the flag, its use on sea and land, have been considered here to-night. But I would like to say to the Prime Minister that if he will look into the matter he will find that a colonial secretary did not send a dispatch to the parliament of Canada, without correspondence having taken place. Sir Wilfrid Laurier at that time was contemplating going to the imperial conference, and one of the problems which confronted them had to do with our naval force.

The question was plainly put as to what flag should fly, for instance, on our parliamentary buildings, when we were in session. Although my memory is not sufficiently clear on the point at this time, I know it was not a bolt from the blue on the part of the colonial secretary as to what the flag should be. Colonial Secretary Harcourt did not do business in that way. What was done was in response to an inquiry, just as in the case of the table of precedence, and other questions, when requests are made of the colonial office. The colonial secretary transmitted his views to the governor general.

Mr. MACKENZIE KING: But it was the colonial secretary.

Mr. BENNETT: Of course. Nobody else could do it at that time. They ask the king; the king refers it to his government, and the colonial secretary is of course the person who makes the reply to—in those days—the governor general direct, and to no one else. That has all been changed, of course.

There was one observation made, not by the Prime Minister but by another hon. member, which should be corrected. The flag which floats on government house is the king's flag. It was settled by the king himself, and it is the flag which floats in every dominion and every union under the sovereignty of the king. It is called the king's flag because he settled the terms of it, and wherever his representative may be it is supposed to float, whether on this building, or on a building at St. John or at Halifax, or wherever it may be. In South Africa, for instance, on the one side it bears the words "The Union of South Africa" in English, and on the other side in Dutch. In this country it bears the single word "Canada," which is the same in English and in French, and there is no question of the use of different words.

That flag is a flag which was settled by the king, and is the flag which floats over the residence of the governor general, wherever he may be, whether in the capital city or some-

where else. But that has nothing to do with the question we are discussing to-night. It is a personal flag, given by the king to his governor general, and practically holds his power of attorney, indicating that he is the representative of the sovereign.

Mr. MARTIN: Is it not called the royal standard?

Mr. BENNETT: No, it is an entirely different matter. The royal standard is flown only by the sovereign himself. His representative does not fly it in the dominion. It was to obviate any discussion of that character that the king's flag was settled.

I do not propose to discuss the merits or demerits of claims which may be made before a committee, but I do propose to vote for the formation of a committee. It seems to me almost monstrous that the House of Commons should deny the right of a committee to consider the advisability of our taking any step in the world. Some years ago, for instance, the hon. member for Wellington North (Mr. Blair) introduced a resolution as to how criminals should be executed, and there was a reference to a committee to consider the advisability or otherwise of the action he suggested being taken.

To-night we deal with an entirely different matter, namely the question of a flag, and the advisability of the use of it. I can quite understand the conflict of sentiment in the minds of men surveying a matter of this kind. After all, however, it does seem that we should have some method by which to identify ourselves in the eyes of those who look upon our bunting as it floats in the wind.

I visited Australia and New Zealand some months ago, and it would be a brave man indeed who would say that New Zealand was lacking in loyalty to the British crown. Yet New Zealand has a distinctive flag which it has adopted for a definite purpose. Australia, too, has a distinctive flag, and I do not think the casual observer would state that there is less devotion and loyalty to the British crown in Australia than in Canada. In fact, I think it possible that the opposite view might be taken. Those countries found no difficulty in selecting their flags. In South Africa there was a real difficulty, and they might as well be frank to admit it. A committee was appointed, and out of the discussion in that committee there came some results. There was a good deal of acrimonious talk, but in the end there came two flags. A very large union jack is fastened on the wall of their parliament buildings, side by side with their own flag. As has been properly pointed out before, both flags fly over the official residences, and at points where justice is administered in the different parts of the union.

There were grave difficulties to be overcome. The blacks, numbering about six million, as against two million whites, were insistent that the union jack be preserved. They had their reasons. They remembered the early days of settlement when the Boers looked upon the black men as the children of Ham, and as servants to them as lords and masters. They strongly insisted that this flag be maintained. That is the reason I take it, among others, that it finds some place, although not a very prominent one, in the flag of South Africa.

Mr. Speaker, I would be needlessly taking up the time of the house if I were to discuss, as I almost had the inclination to do, many other matters arising from this one. But the resolution before us is one for the naming of a committee for the purpose of considering the advisability of adopting a distinctive Canadian flag. To that resolution I have no difficulty in giving my assent.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, in view of the fact that in this parliament nothing is being done for the people of Canada, I am not surprised that this should be the first motion on private members' days. After the appointment of all these committees and commissions, the House of Commons almost becomes a house of caretakers, for we have no powers or prerogatives; our functions have been usurped by commissions.

The discussion on the flag is not new, nor is the suggestion of a distinctive flag for Canada. May I point out that in the last few days twenty-eight dead soldiers have been buried by the chaplain of Christie Street hospital, their bodies bound by the union jack. That flag was good enough for 600,000 soldiers who fought for you and me in France and Flanders, and it should be good enough for the civilians who stayed at home.

This is not the time to bring forward such a motion. To-day I received twenty-five letters from housewives in Toronto who are complaining about the high cost of food and of living, and instead of talking about a new flag for Canada we might reconstitute the mass buying and spreads committee to deal with it. Many people are carrying the black flag. In my riding the people are up in arms about the high cost of living. They

want to know what is going to be done about butter at 38 cents a pound and other necessities. We should not be considering a distinctive Canadian flag; we should be considering the black flag that is facing so many of the working classes of this country.

This resolution talks about the dominion being "an equality partner in the commonwealth of British nations." Was Canada present to-day or represented at the opening of the great dock at Singapore? New Zealand, Australia, the United States and France were there, but where was Canada,—Canada which was first in the diamond jubilee procession in the days of Sir Wilfrid Laurier who claimed to have made Canada a nation? I doubt if he would approve of the flag changes which are to be made under the auspices of this new twentieth century Liberalism which we have in this country.

If this is the most important motion to be brought up by a private member, I am willing to withdraw the resolution standing in my name so that we may get on with our business and abolish private members day. As I say, this is the third time such a resolution has been brought up since I have been in the house. In 1935, a resolution was moved by a member of the Conservative party. At one time, June, 1925, I asked certain questions about a national flag and I found out that a committee of seven civil servants had been appointed to consider the matter, all of the one religious denomination, although all good men. I believe the time is not ripe for a motion such as this.

I do not know whether Canada is in the British Empire or not. It has been contended by some of these professors in our universities and colleges and some on these commissions that Canada does not belong to the British Empire. This is what has been told to the students at McGill university and the university of Toronto, that we are a sovereign state by the Statute of Westminster. Just the other day we had quite a debate on the first reading of a bill to take away the right of appeal to the privy council. I think we have gone far enough in this direction. We should not follow the lead of South Africa and southern Ireland. The Prime Minister of South Africa has refused to take the king's oath as a privy councillor. It has been said in the House of Commons—I can give the authority—that overtures have been made to Germany and a secret treaty or agreement years ago entered into to give away part of the country covered by the Boer war treaty to Germany.

[Mr. Church.]

As far as I am concerned, I am utterly opposed to this motion. There is no demand for a distinctive Canadian flag. A great deal was said by these gentlemen who call themselves the Native Sons of Canada about what they were going to do to me if I opposed a new flag. However, I am still here and I do not know if there are any of them left in my riding. Your Honour will remember that when this question came up before, I asked for information from the government. My question will be found at page 4364 of Hansand of June 17, 1925. My first question was:

Will the government lay on the table of the house the text of a copy of order in council appointing a committee to select a distinctive Canadian flag for use ashore?

Hon. members will note that I referred to use ashore. That is where our navy is most of the time, on the shore. One of the newspapers has stated that I have asked sixty-eight questions, but I only asked not sixty-eight but twelve or fourteen and half of my questions deal with the separatism which is evident in this country in our foreign affairs. I contend it is the right of a member of parliament who represents his constituents to protest in this House of Commons against the wave of separatism which has been going through this country ever since this present government came into power in 1921. We hear a lot about this celebrated Department of External Affairs. I say that the government of the day has no mandate from the people to go on the way they are going. I claim the constitutional tradition that the Minister of External Affairs shall answer in this house for the way he administers this trust. There is a possibility and a great probability that this country will be invaded before long. We have a magnificent country with wonderful resources and it is bound to be invaded and is coveted. Germany is causing considerable trouble to Britain throughout the civilized world. We hear about her opposition to communism, but she used Russia in the great war and is using her also now for her own purposes.

It is the duty of the government to inform this House of Commons what is being done by this Department of External Affairs. From three to three and a half millions of dollars have been wasted on the League of Nations and the only result has been increased disarmament by Britain. I say that this is not the time to consider such a motion. If we want to hoist a flag, let us hoist one for another mass buying and price spreads committee; let us hoist one in a fight against the high cost of living; let us hoist one in an effort to do something practical for the working classes of the country; let us hoist a

flag on behalf of the industrial workers, fifty-one per cent of whom have been driven out of their homes through foreclosures and other measures, and want the same treatment as farmers and fishermen get. I have seen homes in my riding with the red flag of the bailiff in front showing that he had taken possession of the house and put the family on the street in executions and foreclosures.

The time has come for twentieth century Liberalism to do something practical other than a flag motion. This is not a free parliament. We might as well all go home as our work here is purely academic. There is nothing left for us to do after all these commissions have been appointed. They have taken away many of the functions and privileges of members of parliament. The people are going to protest against this motion and I doubt very much if it is in order under the Statute of Westminster. These were my questions in 1925:

2. Who is asking for such a Canadian flag and for such a change, and why?
3. Is the union jack not Canada's only official flag, and was it not the one used by the Canadian expeditionary forces overseas in France, and since Canada has been a British possession?
4. Will an opportunity be given the house to discuss such an unnecessary innovation in view of Canada having no land army and no fleet whatever except the proposed Petersen fleet?
5. Is such a change of policy not for parliament to decide instead of the governor general in council?

These are the members of the committee who were to consider these matters:

G. J. Desbarats, Esq., C.M.G., Deputy Minister of National Defence, Chairman.
Thomas Mulvey, Esq., B.A., K.C., Under-Secretary of State.
A. G. Doughty, Esq., C.M.G., LL.D., Dominion Archivist.
Commodore Walter Hose, C.B.E., A.D.C., Director of the Naval Service.
Major General H. A. Panet, C.B., C.M.G., D.S.O., Adjutant General.
Group Captain J. S. Scott, M.C., A.F.C., A.D.C., Acting Director of the Royal Canadian Air Force.

That was a splendid committee, but all of one religion, it may be noted. Some were returned soldiers who had been decorated many times. But they did not want a job like that as some of them did not believe in changing the flag. Some of them had led their men in Flanders under the union jack and had seen it used many times to drape the body of some poor soldier who had been killed. No wonder the people of the motherland are wondering where Canada is going! The only thing that binds Canada to the motherland are the ties of blood and race.

Our governor general does not represent the king any more; he is just the viceroy. The lieutenant-governors of the provinces, when they call a party together, refer to it as the viceregal party. Pick up the Globe and Mail any morning and you will see where viceregalism has been installed in Canada illegally as the governor general is the only viceroy. As I say, there is no demand for a resolution of this type. It is all very well to talk about Canada first and the empire a very poor second.

As I have said before in the house and on many occasions outside the house the fathers of confederation made a great mistake when they foisted these provincial legislatures upon the country for political and not economic purposes. I believe in the policy of one king, one flag, one school and one empire such as the principle they have in the United States. That is a country which is copied very often to-day, and those are principles they follow there.

Saturday was Abraham Lincoln's birthday. Is anybody over there proposing to change their flag? They have one flag on the ocean, one flag on the land. Talk about a flag for the Canadian navy on the ocean! Has any part of our navy gone over to protect Canadian subjects in Japan? No; they hug the shore. When the naval bill was up in 1909 the Hon. Charles Murphy, then Secretary of State, a very respected member of this house, said that under the navy bill if an enemy ship was coming up the St. Lawrence, we would have first to pass an order in council before the Canadian navy could fire off a pinwheel, a fire cracker or a sky rocket. With a humbug navy of that kind, what is the use of saying we are a nation and all that?

I have no desire to talk out the resolution of the hon. member for North Battleford (Mr. McIntosh). I have sat on a committee with him, and I have found him very fair, and a very fair chairman. I do not want to be unfair to him or to talk out his motion, but I have been opposed to this thing for many years. The people who sent us here sent us to solve Canada's economic problems. We have been here for three and a half weeks and I fail to see any problem that we have yet solved. With conditions as they are in this country, with the many problems we have to solve, no wonder we have communism in Canada. It is the duty of this parliament to remove grievances within, because the mother country will look after grievances without. It is the armed strength of Great Britain, her navy and her army, that protect our shores, and in the old land they are beginning to wonder if Canada and the other dominions are not a drag on the British Empire.

You had an imperial conference last year. Did you solve any of these problems there? Was this question of a Canadian flag brought up at that conference? I have not been able to find out that it was.

I want to say to these hon. gentlemen who come from the west, for whom I have every respect, that I believe in the principle of confederation, the old Cornish battle cry—"each for all and all for each." What is for the benefit of the maritimes is for the benefit of Ontario, and what is for the benefit of the great prairie provinces, which are suffering so much, is for the benefit of Ontario and the rest of Canada. We should be a happy and a united people, and this question of a change of flag should not be taken up at this time, with so many real problems before the country. We have no defence against an invader in this country, on the Pacific coast or anywhere else.

The senate have hauled down the flag on their part of the building; they have gone on a three weeks' holiday, as they have no work, they say, with all these economic problems unsolved. We have been sitting here for three weeks, and we might as well have gone on a holiday also for the last three weeks for all we have done to solve the problems of the people of Canada. If you keep on appointing commissions I do not know where you are going to end up.

Instead of having a committee appointed to consider a Canadian flag we shall soon need a pan-American flag because we are depending upon the Monroe doctrine and the American fleet to protect our shores. We are depending upon the doctrine which Monroe enunciated over a hundred years ago, and upon pan-Americanism, and if what I read about this Anglo-American treaty is correct, dear knows what kind of flag we are going to have before we get through with that treaty.

I believe in a policy of Canada for Canadians. The Toronto Star for the past few weeks has been talking about income tax of our millionaires who left Canada, and it has been printing pictures of a number of Canadian millionaires who got sick and tired of taxation under the Canadian flag and paying Canadian income tax, and went off to Nassau and other places in the Bahamas, with the wealth they got out of the gold and other mines of this country. The Lord intended all these magnificent natural resources, the water powers and mines, for all the people, not just for some of the people.

True, these people who have been engaged in mining development are entitled to a large part of the profits, but not the whole thing uncontrolled. But they have got their millions out of the soil on easy terms, and are now in Nassau, and the flag they have there is the union jack, which is plenty good enough for us, and has been ever since we were a country. It is the flag we had in the early days of this country, in 1885, when the Grenadiers, the Queen's Own and other regiments, left the city of Toronto, the thirteenth battalion the city of Hamilton, and the sixty-fifth French-Canadian battalion from Montreal and from Quebec. These volunteers from Ontario and Quebec carried the union jack and saved Canada from being dislocated in the northwest. It was good enough for them, and it was good enough in the South African war. There was no demand for a Canadian flag then. The veterans of the South African war and the Fenian raid of 1866 are forgotten to-day. They cannot get a nickel from parliament, let alone a flag, and many of them are suffering. The same is true of the veterans of the great war. There is no demand from any soldier organization that I know of for a change of flag.

Instead of Canada doing something about a new flag, I think it had better do something about making a contribution of a unit to the British navy. It would be better to work with Australia and New Zealand, helping the British navy instead of putting up defences of our own. Let us fight our foes from within, as well as from without. This country is becoming steeped in internationalism. I do not know where it is all going to wind up. Our men will be unemployed and our home market will be gone.

Read Green's History of England; what does it say about the flag? I quoted from it in the house last year regarding the industrial revolution, and I am not going to refer to it further to-night.

As I was saying, with the toy fleet we have, I fail to see that we need a flag at all. In fact, if I went overseas to Japan, or for an ocean trip, I would not want to go to the Canadian legation for protection. I do not know whether it is open. I heard from some people over there that Canada was one of those responsible for Japan getting out of the alliance with Great Britain. Do Canadians in Japan go to the Canadian legation? I know of nobody who goes there. There is nobody there to protect them. They all head for the British embassy, the same as they do in Germany and other countries.

Next Sunday Herr Hitler is going to announce at a great demonstration, when the German flag is up, that he is going to get back Germany's colonies from Britain, if

you please. If so, good day to the British Empire! The discussion in the house on this motion will have an unfortunate effect, I fear, in England. The mother country has made investments in Canada to protect us. She invested, and paid, for example, for the whole Rideau canal as a back door into lake Ontario. As in the war of 1812 our army was separated in Upper and Lower Canada and the Rideau canal was built to overcome this. The British paid for that, and they have made investments all over this country for defence. It is their fleet that protects our shores. We are the fifth nation in trading, and yet we have no navy. We are using the British fleet to protect our shores and our trade routes. It would be far better, Mr. Speaker, if we spent our time in trying to solve these problems of trade, defence and immigration than in talking about a flag.

I will tell the house what this Anglo-American treaty is going to do. It is going to turn the next election into a union jack election; and it is pretty nearly time we had another union jack election, to find out if we are in the empire or out of the empire and where all this separation is landing us. The government is going to have a union jack election whether it likes it or not, and motions of this kind are what will bring it along. We shall find out whether we belong in the British Empire. We are not going to follow any longer South Africa and Southern Ireland. They had an election the other day in the northern part of Ireland, and we see how the vote went.

In the last census our population was 10,352,269 people. Of these twenty-nine per cent are fine subjects of the province of Quebec, who love their native Canada and love the motherland. Another twenty-nine per cent are of foreign origin those who have come to this country. Many have been here for years; for the most part they are on the prairie; they are mostly fine people; they have done a great deal of good work out there. But they are isolationists; they do not believe in taking part in the affairs of the empire. The other forty-two per cent are the British born, English, Irish, Scotch and Welsh. While they hate war they love Canada. The parents of many of them came here years and years ago. Though some of them may be isolationists at heart, I believe that as regards a large majority of the two twenty-nine per cents and the forty-two per cent, if the motherland were in trouble to-day their young men would spring to arms under the union jack, because the majority of the people of Canada believe that Britain before God stands as trustee the world over for the peace of the world.

In conclusion, I may say that we need not look to the newspapers to give us the facts about the foreign policy of this country. I do not know whether there is actually a censorship on foreign affairs or on defence, but it appears there must be some kind of censorship or arrangement, because in the past two years in hardly any newspapers, except the Toronto Telegram and one or two other Toronto papers and like-minded newspapers elsewhere, have I been able to find the slightest reference to foreign affairs, and the people are being kept from the real facts. The members of this house are becoming almost like what they call in England and picture in the cartoons by the name of "shiffer" sisters. That is that section of the cabinet there that would cede to Germany her colonies. If we keep on we shall be "shiffer" sisters too, because we are afraid to deal with Canada's three great problems—trade, defence and the empire, or to support rearmament.

I have consulted with a great many people about this flag issue, and the general feeling is that it would be better for us first to provide a proper fleet on which to hoist a flag, and not boats like the Minnie M, the Ada Alice, the Island Queen, the Luella, and the Shamrock. I do not know where this Canadian fleet is, though I read naval orders, and I may say that my hon. friend the minister is one for whom I have regard. I first met him out at Vancouver when he arranged to take my university of Toronto senior hockey team out in the harbour there at the time we won the Allan cup in 1927. When we went out in the harbour all we could see was the union jack. I have asked in the house, Where is this magnificent fleet gone to? Where is Canada's navy? I cannot remember all their names at the moment. They have gone to Barbadoes, to St. Lucia; they have gone down to Nassau, apparently. The fleet has gone junketting in foreign waters on good will cruises, away down in the West Indies. I wish some of my colleagues could go with them; I wish we could all go down there and have a good time with this Canadian navy. Naval orders of January 2 say that the fleet has gone on a good will cruise. I asked the question whether any of this celebrated fleet has gone to Sino-Japanese waters. Of course not. There might be a scrap over there, and I would not want to be on board Canada's navy when there was one there.

So I say, Mr. Speaker, so far as this particular motion is concerned, wait until we get an adequate fleet to carry a flag and sufficient men to man the fleet. On land and sea and in the air what are we doing to-day for

our own protection? Simply hoisting the pan-American flag in and out of this house. Apparently we are going to depend upon it now, instead of the motherland and its great flag the union jack that has so long protected our shores; instead of depending upon that any longer we are going to rely on another power on the north American continent.

We need to-day a Gilbert and Sullivan to write about this magnificent fleet of the Minister of National Defence (Mr. Mackenzie). We need some concert halls for a new version of Gilbert and Sullivan's H.M.S. Pinafore, as related to our toy navy. I ask again, Where is this fleet of ours which will have a change of flag if this motion passes? Where is it now? In the West Indies, down somewhere no doubt near the millionaires. I believe that one of the fleet went overseas for the Vimy Ridge celebration and another for the coronation. Nobody knows where they are at the present time. Perhaps they have on board some visitors or members or senators or others who have gone to foreign waters for their health. It would be a good thing for the taxpayers if the members of this house could go away for three weeks also with the senate as we are doing no work for the people.

The flag in the Victorian era—that was a flag. The Victorian era built assets for the future; we have been squandering them ever since. In the days of Victoria under the union jack, the people kept the state; to-day, under the union jack, the state keeps the people. Instead of talking about a new flag, we need to-day to get the business man to hoist the union jack. Let us leave the day by day conduct of business to the men who understand and conduct business, instead of our passing a whole lot of useless motions and appointing committees and commissions of college professors to tell them how to run their business. Under the Victorian era the union jack was on top of the store in every part of Canada. Nowadays all our people are becoming proletarians; they do not own anything; they have no property. We have been slow to see how this has happened under the union jack.

Canada is becoming more and more the happy hunting ground of Americans who come to Canada seize our natural resources and then contribute nothing to the income tax. I see the young Minister of National Revenue (Mr. Ilsley) here to-night. Two years ago, I think it was, I asked him if he would kindly look into the way these millionaires who hoist the union jack here can go down to Nassau and escape payment and into the revelations at Washington. He has not replied to my question. I hope he will do so this session and let us know where these people go and how they get away and no doubt hoist the union jack down there. It is a good flag, anyway. We should do well to go back to the days of Sir John A. Macdonald and remember his declaration, "A British subject I was born; a British subject I will die." I have become alarmed as I sit in the house at recent separatist developments. In the last few days we have had proposals not only to change the flag but to abolish appeals to the privy council. If those appeals are abolished, goodbye to the principles of the union jack, goodbye to the rights and privileges and functions of municipalities and the provinces, and the rights of minorities in this country. No wonder, with this wave of separatism, it is now proposed to change the flag!

The mover of the resolution states in his motion that he would have a special committee appointed. We all know what special committees are. If they are appointed they are like the royal commission, because the members of the committee just meet and sit around a table; towards the end of the session, as is known in the old country, and here, the government of the day, having a majority in the committee, will write the report for them, and the committee can vote and talk as they like and get nowhere; I have sat on many of these committees and I know what their proceedings are.

What is this committee going to consider when it is appointed? It is going to consider the advisability, if you please, of adopting a distinctive Canadian flag. Well, in my opinion, it is not advisable in the present state of unrest in the country to entertain any such distinctive proposal. In 1925, the same language was used; a committee was to consider then "the advisability of adopting a distinctive Canadian flag." Is it advisable for us to be considering a resolution such as this when we know what the condition of affairs is not only in Canada but in the world at large, when the mother country is faced with the situation that exists in the far east? Is it advisable at the present time to raise this question when we are depending upon the motherland for maritime protection?

We are trying to establish an air force in Canada. We know how war has been revolutionized in the air. If the enemy were to sail up the St. Lawrence, what would be our position? We are unprepared; while we are talking about a new flag they could blow up the citadel, proceed to Ottawa and blow

up these buildings and the Chateau Laurier. They could come here and destroy our public utilities and return in five or six hours while we were talking in a committee about the advisability of adopting a national flag. This committee is going to consider the advisability of changing our flag, but the resolution does not say the change is necessary. The new flag would no doubt please a good many people in all the provinces; but, as I say, if the enemy sailed up the St. Lawrence, where would we be? Somebody in the committee might say, "We have pan-Americanism to protect us." The resolution speaks of a Canadian flag, "representing Canada as a whole, thereby symbolizing the dominion as an equality partner in the commonwealth of British nations." I say that Canada is not an equality partner; she is a sponger partner, sponging on the taxpayers of the motherland for her maritime protection, sponging on the flag we have at the present time, the union jack, for protection not only on land but on the sea and in the air. Talk about equality partnership! That was the language used in the Statute of Westminster with reference to "this British Commonwealth of Nations," a high-sounding title that was supposed to bring about the millennium in empire affairs. In my opinion it has done more to disrupt the empire than anything else. The people of Canada never voted or consented to that, and they have not voted on this question with regard to a change of flag.

And what about this committee? I have sat on several committees and I can say that some of them never meet. It would be a good thing if this committee did not meet. If we are an equality partner in the commonwealth of British nations, to use the language of the resolution, all I can say is that we are making a pretty poor showing because at the present time Canada is doing nothing but the talking; Canada is doing all the talking in foreign affairs.

One of the questions before the conference had reference to shipping within the empire. Do you know, Mr. Speaker, that at the present time there are 2,000 fewer merchant ships in the British Empire than there were in 1914? Do you know that this magnificent fleet which protects our shores, instead of burning coal is burning foreign petrol from Arabia and South America? If the enemy wanted to cut off our oil supply for the navy in war, we would be without a fleet to protect our shores. The fleet used to burn coal, but now burn foreign petrol. We talk about being an equality partner in the empire, but when we are asked to do something we say no.

If we could get this house down to business we would be doing something, instead of discussing a motion of this sort. The motion speaks of a flag symbolizing the dominion. That is all we have so far as our fleet is concerned; we have the sign or symbol of a fleet; that is all. I do not know where the fleet is; I do not know what flag it flies. I think it is after eleven o'clock, Mr. Speaker. I have not concluded.

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

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Some hon. MEMBERS: It is eleven o'clock.

Mr. HYNDMAN: If the house is not going to adjourn, Mr. Speaker, I should like to speak to the motion.

Mr. SPEAKER: It is eleven o'clock.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 15, 1938

The house met at three o'clock.

FARMERS' CREDITORS ARRANGEMENT ACT

BOARDS OF REVIEW, TIME LIMIT FOR FILING PROPOSALS, ETC.

Hon. CHARLES A. DUNNING (Minister of Finance) moved that at the next sitting the house go into committee to consider the following proposed resolution:

That it is expedient to amend The Farmers' Creditors Arrangement Act, 1934, to make provision for the establishment of more than one board of review in any province, to provide that no new proposals shall be filed in a province after a date to be fixed by proclamation, more adequately to define the meaning of the word "creditor" as used in the act, and to extend the benefit of the act in the case of deceased farmers.

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.

CANADA-UNITED STATES TRADE AGREEMENT

REPORTED LIST OF ARTICLES TO BE CONSIDERED FOR TARIFF REDUCTION BY CANADA

On the orders of the day:

Hon. GROTE STIRLING (Yale): Mr. Speaker, I should like to ask the Minister of Trade and Commerce (Mr. Euler) a question in reference to the accuracy of a statement appearing in a London paper which reached me last night, to the effect that Canada has submitted an extended list of articles which will be considered for tariff reduction during the negotiations in connection with the revision of the Canada-United States agreement. It goes on to say that the list includes certain specified kinds of grain, fruits, vegetables, fish, furs, paper and pulp boards, cattle and timber. Is that an accurate report, and if so have the industries affected been made aware of the fact?

Hon. W. D. EULER (Minister of Trade and Commerce): Mr. Speaker, I had not known that the question was to be asked. We have information that a list of commodities has been published by the government of the United States upon which they are willing to negotiate. I assume that is the list referred to in the article. While I do not at the moment recollect all the commodities contained in the list or enumerated therein, I presume they are correct.

Mr. STIRLING: The point of my question is that it is stated that Canada has submitted a list on which Canada is willing to consider reductions in duties, and I want to know if that is correct.

Mr. EULER: No, it is not correct; it is quite inaccurate. Canada submitted a list on which they desire the United States to make concessions, and then the United States submitted a list on which they agree to negotiate. As yet however we have not received any request from the United States for concessions from Canada. I think probably that is the information the hon. member wants.

COST OF LIVING

REPRESENTATIONS OF TORONTO HOUSEWIVES' ASSOCIATION—INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of Labour (Mr. Rogers) a question, of which he has been given notice. Hon. members from Toronto have been receiving batches of letters from what is known as the Housewives' Association of Toronto with regard to the high cost of food and all other necessities. Will the minister consider setting up a committee during the life of this parliament to study the question? I know there are limitations under the decisions, and this matter may be considered to be partly under the jurisdiction of the provinces, but we have the provisions of our criminal code with respect to restraint of trade and combines; and the various groups which I have described are holding meetings to fix prices. I do not ask the minister to reply to-day, but perhaps he will take this as notice.

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, the hon. member for Broadview (Mr. Church) was kind enough to give me notice of this question, but as I received it only a short time ago I do not think he will expect a final answer at this time. I shall be very glad to bring this matter of increased prices of commodities, particularly those entering into domestic budgets, to the attention of the commissioner under the Combines Investigation Act and inform the hon. member as soon as possible as to what action, if any, can be taken under dominion jurisdiction to deal with the complaints to which he has referred.

THE PARLIAMENTARY GUIDE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Winnipeg North (Mr. Heaps) inquired yesterday as to the distribution of the Parliamentary Guide. He said that he would like to know who gave instructions this year to have the Parliamentary Guide distributed free to members of the house. In answer I may say that the Parliamentary Guide for the year 1938 was purchased from the king's printer on a requisition signed by the Clerk on instructions from Mr. Speaker. Payment will be charged against the item "contingencies" in vote 31 of the House of Commons' estimates for the year 1938. It is usual to purchase the guide when it is published.

CATTLE SHIPMENTS

PROVISION OF SPACE ON VESSELS FOR SHIPMENT TO ENGLAND

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Grey-Bruce (Miss Macphail) asked a question yesterday with respect to the provision of additional space on boats for the shipment to Great Britain of cattle which were shipped

from western Canada to Ontario and are now ready for the British market. Her question was as to whether sufficient cargo space would be provided and what steps the government were taking toward that end. The answer is that the Department of Agriculture and the Department of Trade and Commerce have been actively exploring the possibilities of securing additional space for the export of cattle to the United Kingdom. It is expected that further accommodation for export cattle will be made available.

THE UNION JACK

DISPATCH FROM COLONIAL SECRETARY REFERRED TO IN DEBATE ON A CANADIAN FLAG

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Would the Prime Minister (Mr. Mackenzie King) be good enough to lay on the table the dispatch from Colonial Secretary Harcourt to the governor general concerning the flag to be flown in Canada, to which reference was made last evening?

Right Hon. W. L. MACKENIE KING (Prime Minister): Yes.

CANADA SHIPPING ACT, 1934

SICK MARINERS AND MARINE HOSPITALS—LEVY, COLLECTION AND REMISSION OF SHIP DUES

Hon. C. G. POWER (Minister of Pensions and National Health) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Canada Shipping Act, 1934 (part V, sick mariners and marine hospitals), in respect to the levy and collection, and in certain cases the remission, of ship dues.

Motion agreed to and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. POWER: The bill to be based upon this resolution will cover minor amendments to the section of the shipping act which deals with sick mariners. One amendment will clarify the definition of the word "voyage" in order that it may be quite clear that vessels shall not be compelled to pay dues twice during the same voyage. The second amendment deals with scows or barges which carry no crews and which hitherto had been charged dues for the benefit of sick mariners. This latter amendment applies particularly to British Columbia.

Resolution reported, read the second time and concurred in. Mr. Power thereupon moved for leave to introduce Bill No. 23, to amend the Canada Shipping Act, 1934.

Motion agreed to and bill read the first time.

SUPPLY

CORRUPT ELECTORAL PRACTICES—AMENDMENT TO MOTION OF PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee of supply.

Mr. R. A. PELLETIER (Peace River): Mr. Speaker, before you leave the chair I desire to move an amendment to this motion, but before reading my amendment I have a few remarks to make. The amendment deals with the question of levies or alleged levies made in connection with Canadian National Railways contracts. I hasten to add that I am fully aware of the fact that the Prime Minister (Mr. Mackenzie King) appears to believe that I am rather insistent upon this point, but he may hold that opinion simply because I have never yet had the opportunity of expressing exactly what I have in mind, and that I propose to do now.

I am introducing an amendment at this time because there should be absolutely no delay with reference to so grave a matter. Just picture the situation: an hon. member declares to the house that he knows that certain levies are being made in connection with contracts of the Canadian National Railways. Before making that definite statement he had said that political corruption was never so rampant in Canada, and it was while emphasizing that particular point that he mentioned the Canadian National Railways. To anyone who desires to know the truth, what do these statements mean?

I believe we should refer again to what has been said in this house in order to get a clear picture of the situation. For example, we find this statement:

Never in the history of this country has corruption been so rampant electorally as it is to-day. It is not a case of $5,000 or $10,000 in a constituency, but it is a case of large sums of money for corrupt purposes.

We go on a bit further and we find this:

When an organizer goes to a contractor and says that he wants one or ten per cent, that is a levy and not a contribution. What is more, I say that it threatens the very life of this state at this moment.

And further on we find this:

In view of what I know of the character of the methods by which contributions are made —they are no longer contributions but levies—

I pause here to underline the words "no longer." When a member makes a statement

to the effect that these are no longer contributions it conveys the idea that some time in the past things were different. He is saying that to his knowledge at the present time things are no longer what they used to be—they are no longer contributions, but levies. Further, he says:

I say the time has come when we must provide methods under our electoral law which will not permit such a situation to continue.

Further on we find these words:

A contribution is one thing, but a levy of a certain per cent is another. The time has come when this must stop because the contractors themselves are complaining.

If this does not imply that the right hon. member who made the statement knows definitely whereof he speaks, then my knowledge of the English language is not as perfect as I think it is. But in order to prove definitely that he really meant a good deal, we find the Minister of Transport (Mr. Howe) saying to the right hon. leader of the opposition:

The right hon. gentleman has said either too much or too little.

And at that very moment, as all members of the house will recall, there arose an anxious cry throughout the house for the government to set up a committee, and my hon. friend from Cochrane (Mr. Bradette), whom I do not see in his seat at the moment, was the very first one to say: Let us have one "right now." Therefore at that particular time it was definitely understood that there certainly was something very wrong. Let us see what the Minister of Transport said:

Mr. Howe: As one who places a great many contracts for this government I ask the right hon. gentleman to give me a specific instance of a levy.

Mr. Bennett: I can give the minister as many as he wants, but I am not going to do it here and now.

Then here is the important part. The leader of the opposition went on to say:

What is more, I know of levies being made in connection with Canadian National Railways contracts.

Further on we have the right hon. leader of the opposition saying this:

It can be threshed out any time you want any committee of this house that you desire to appoint to go into the matter.

It was then that the hon. member for Cochrane interjected, "right now."

It may be all right, Mr. Speaker, to try to hide behind words, but when I heard those statements of the right hon. leader of the opposition—and I have gone over them very carefully—I had the definite impression that a certain meaning was to be attached to them, and I know definitely what meaning the people of this country are attaching to them. When the right hon. leader of the opposition makes a statement to the effect that ward bosses and political organizers have developed such a boldness of approach that their demands are no longer simply demands but amount to levies upon contractors, then I think it is time this house looked into the matter.

But the right hon. leader of the opposition did not stop there. He even named the amount of the levies in a case he knew about, and he said they had reached such proportions that even the contractors themselves were complaining. Now, those words of his are perfectly clear. They mean exactly what they would have meant if said outside this house or if printed elsewhere than upon the pages of Hansard.

When I heard those statements, Mr. Speaker, I did the only thing I thought I should do. I got up in the house and asked the Prime Minister if it was his intention to set up a committee to investigate the charges, and in a prepared statement the Prime Minister replied in this vein. He first reviewed the various statutes of Canada under which charges of alleged political corruption may be investigated. He pointed out that parliament had made statutory provision for the investigation of corrupt practices at elections. There was the Dominion Controverted Elections Act, chapter 50, revised statutes of Canada, 1927, under which, he said,

—any person who has the right to vote may present a petition to a judge of a supreme or superior court, setting out these practices, and, if a deposit of $1,000 is made, an investigation may be held.

That is one method which the Prime Minister said could be followed to investigate the charges of the right hon. leader of the opposition. There was also a second way, which the Prime Minister outlined as follows:

Under the Corrupt Practices Act, chapter 51, revised statutes of Canada, 1927, twenty-five or more electors may present a petition to the House of Commons charging the existence of such practices, and, if a deposit of $1,000 is made—

Again I point to the $1,000—

—the house may direct the government to appoint a commission for the purpose of making an inquiry. The commisison in either case must submit a report to parliament and under standing order No. 79 it is provided that if it appears that any person has been elected by corrupt practices the house will proceed with the utmost severity.

Before pointing out these steps that might be taken the Prime Minister was very careful to remark that as I was a young member of

the house possibly I was not familiar with the procedure in connection with charges of this kind. In reply I simply state, Mr. Speaker, that it is possible to know everything and yet understand nothing. I am not concerned with questions of law, nor do I propose to permit legalities to stand in my way. I cannot consider that such legal steps must be necessary or even advisable when all that needs to be done is for the house to appoint a committee of inquiry into the charges of the right hon. leader of the opposition.

Furthermore, we already have our standing committee on privileges and elections, and we all know that any question, whether concrete or academic, may be referred to a committee of this house fully empowered to investigate it.

It might also be suggested that the public accounts committee could very well look after this matter. But I say, Mr. Speaker, that we are not now dealing with one particular charge, as was mentioned by the Prime Minister; we are dealing with something which is undermining the political life of our dominion, and the scope of the public accounts committee is too narrow, in my opinion, to enable them to investigate a matter of this kind as it should be investigated.

I would also ask this question: Why should the responsibility be placed upon the public? In order to clear away this stigma on the house it seems to me that the Prime Minister and the government should move heaven and earth to find a method by which these charges can be cleared up. I know the Prime Minister to be a man of honesty and courage. I know him to be a man who does not hesitate to perform the task before him, but sometimes I think he might flinch and be reluctant to take action in a matter of this kind because he sees upon the horizon, perhaps, the shadow of another Beauharnois. I do not know, but if such should be the case, knowing the Prime Minister as well as I do, I am sure he realizes as everybody does that these charges have gone out to the country and to the people who have sent us here, and I think that the Prime Minister will help me out and do all he can to see that the people of Canada are well informed in the matter.

If the Prime Minister sees these threatening shadows upon the horizon, may I say to him that I sympathize with him and will do all I can to help him ward off any blows that may come; but if blows should come, let us face them fearlessly, let them fall where they may. I sympathize with the Prime Minister because he is not only the leader of the Liberal party but also the prime minister of all the people of Canada, and should corrupt practices be found to exist elsewhere than in the Liberal party I know that will grieve him just as much as if they were found within the ranks of his own party. If we allow these clouds to remain over this house, great will be the people's wonderment; they may begin to ask themselves whether we in this parliament have lost in a cloud of personal fear, the traditions of those who came before us, and they may lose their last glimmer of faith in our political life.

What of the youth of this country? The allegations made by the leader of the opposition have been read right across Canada and have definitely left an impression on the minds of the young people. Are we going to smash the idealism which they possess at the present time, destroy their faith in our institutions and our political life by hushing up these charges and letting them go untried? We should not be doing our duty towards the youth of this country if we permitted such a thing to continue.

I do not intend to discuss this question at great length—

Some hon. MEMBERS: Hear, hear.

Mr. PELLETIER: —because I feel that it is unnecessary. Some hon. members say "hear, hear." Perhaps that is the way they feel about it, but I believe they thereby indicate that they do not fully recognize their duty to those who sent them to this house. They should be more ready to support me in a matter of this kind.

I have a plea to make to-day. I make it on behalf of the people in general but especially on behalf of the youth of this country, and even in the interest of those who have to pay the deficits on the Canadian National Railways. I ask the members of the House of Commons to see to it that the stigma which clouds this house at the present time is swept away. Before we begin to look after somebody else's business affairs we should see to it that our own skirts are kept clean, and make it clear that we know what we are talking about. Therefore I take pleasure in moving the following amendment:

That the motion be amended by leaving out all the words in the motion after "that" and the following be inserted:

This house is of the opinion that charges of levies in connection with Canadian National Railways contracts as well as statements concerning electoral corruption should be referred to a select committee of this house with power to send for papers, persons and witnesses and to take evidence under oath and to report to this house.

Mr. J. H. BLACKMORE (Lethbridge): On February 1, I spoke against corruption. I pointed out that money and propaganda were used to deceive the people; that consequently the will of those who were struggling to have their desires expressed in and carried out by their governments was being overridden by secret, hidden influences that were apparently drawing their support from the wages of corruption; that red herrings were being dragged across the trail in a great many constituencies throughout this country, with the deliberate object of confusing the people. Among other things, I condemned the People's League for its activity in Alberta last summer. I pointed out with reference to the Lethbridge by-election that, strange as it may seem, the People's League was able to hold together until the election was achieved and that then the leader of the Liberal party immediately withdrew; and everybody who has been thinking at all about that matter has wondered why in the name of common sense the Liberal leader did not give the people of Lethbridge a ghost of a chance and make his statement three days before the election instead of three days after. This thing has offended and disgusted to a greater degree more people than hon. members have any conception of, because the object of the whole intrigue—shall we call it—was so manifest.

I believe that hon. members would be interested in a further development of the Lethbridge by-election. I am going to read to them, in case they have not seen it, a passage from the Lethbridge Herald of February 5, 1938, page 4. It is an editorial, and I am quoting it because it indicates the kind of thing with which we in Alberta are confronted all the time.

Perhaps the advertisements appearing in the Herald on Wednesday setting forth the campaign expenses of Doctor Campbell and A. J. Burnap in the recent by-election tell the true story. Perhaps they are a little misleading. The figures show that Doctor Campbell's committee spent $1,049, while Mr. Burnap's committee spent $237.

The figures of course do not take into account a few rather important facts.

Before I read further may I ask hon. members to weigh quickly in their minds, as I know they can do, the principles which the Lethbridge Herald is laying down in the following words:

They do not show how much it cost the taxpayers of Alberta for Premier Aberhart to make two trips to Lethbridge and spend practically a week here during the campaign.

[Mr. Pelletier.]

Are we to assume that the premier of a province is not supposed to go out and do what he can towards enlightening the people as to his point of view?

No doubt Mr. Aberhart was drawing his salary of some $200 a week during that time. No doubt also Hon. Mr. Low, Hon. Mr. Tanner, Hon. Doctor Cross, Hon. Mr. Maynard and Hon. Mr. Manning, who receive from the taxpayers of Alberta some $150 a week, also drew their salaries while they were campaigning here.

I wonder if there is not an intimation there that these gentlemen were not going to do a full year's work because, upon the invitation of the people of Lethbridge, they spent a few days in the constituency.

Mr. Speaker Dawson and Mr. Popil, two members of the legislature, also helped in the campaign. No doubt the expense accounts of the various members of Mr. Aberhart's ministry would show that they had very important business in Lethbridge during the election campaign.

The insinuation is obvious.

We leave it to the people of Alberta to judge whether the social credit campaign in the by-election cost only $237.

In view of such remarks as were made by the leader of the opposition (Mr. Bennett), and in view of such evidence as comes pouring in from a wide variety of directions, to strain at a gnat and swallow a camel, as is indicated by this editorial, must strike any calm mind as being utterly revolting and disgusting.

So much by way of beginning. I should like once more to make it perfectly clear, as I endeavoured to do in my speech on February 1, that I am in favour of election reform. At that time I pointed out the way in which, since 1921, Alberta has grappled with this problem, teaching its citizens to form great people's organizations and contribute the money with which they fought their campaigns; to keep an open account in order to show where the money came from, how much they had, how it was spent and all those matters which are so necessary to keep an electorate informed and satisfied that those who are chosen to represent them are not in the pay of certain big interests. As I also pointed out, it repels us to think that, after all the effort we have put forth, which cost the people of our province an incalculable amount in anxiety, in money that they could ill spare, and in various other ways, the results should be overborne or nullified by people who are assisted from nobody knows where.

I contend that what the leader of the opposition implied is, as regards this country, absolutely true. If democracy is to continue in

Canada, we must have wholesale, genuine and thoroughgoing repentance on the part of all the leading organizations who stand for election to the governing bodies of this country as well as on the part of all who stand behind the organizations. In what I have to say there is nothing personal and nothing partisan. Both parties must change. I am not deceived into thinking that because the leader of the opposition made the charge, or the intimated charge, the other side is therefore the only one that is blameworthy. I think it is a fairly good illustration of the old saying about the pot calling the kettle black. I believe that the history of both sides going back a few generations in Canada will reveal a sufficient number of unsightly incidents to make each party very reticent about levelling charges against the other. And I say this realizing fully that the present leader of the opposition and the present leader of the government may be completely innocent; indeed, I am inclined to believe that they both are. It is not their desire in any way to condone this sort of thing. What we must do, however, is to make matters different so that they will have a chance to lead the country without such intimations being thrown out and such unsightly things occurring.

It seems to me that there is a giant octopus hidden somewhere, and it is nourished somewhere near the centre of Canada. It extends long, hidden, treacherous tentacles wherever the people begin to get any sort of insight into the truth and any sort of idea of what to do about it. Whenever that happens it quietly and clandestinely strangles any movement which the people have built up. What is the cause of this? There is little use in our railing against the malady unless we seek the cause. Railing against the malady until you learn the cause and endeavour to remove it is as profitable as trying to cure smallpox by painting over or scratching off the pimples. Let us see if we can find out what the cause of the difficulty is.

Personally I believe that the first cause of the trouble is bewilderment. There exists uncertainty among the people of Canada. As a new member of parliament, I judge that it is because of the great amount of misinformation that exists everywhere throughout the country, and the misunderstanding, delusion and prejudice. If any hon. member of this house thinks he can successfully challenge the statement that throughout Canada there exists a great amount of misinformation, misunderstanding, delusion and prejudice, then it will be interesting to hear his defence. On top of all this and aggravating the whole situation there is selfishness everywhere at work confounding the confusion. Each party is in a false position. I believe it was the hon. member for The Battlefords (Mr. Needham) who last year read a letter that was rather interesting. I am not saying that I entirely agree with what was in that letter, but there was in it a thought-provoking passage. The writer said that the Liberals have been false to true principles while the Conservatives have been true to false principles. The result is that, of course, the country has suffered all these generations.

Inasmuch as I am of Liberal tendencies myself, and inasmuch as I find that in consequence the Liberal members of the house have been and are now, shall I say, more congenial—or perhaps I understand them better—may I talk to the Liberal members for a few minutes. In the first place, are the Liberals to-day false to true principles?

An hon. MEMBER: No.

Mr. BLACKMORE: Let us not answer the question too readily. It is easy to answer it at once; but, are they? Let us discuss the question for a moment or two. Someone asks, who is to judge? Well, before you decide who is to judge, the first thing to do is to fix upon a standard of judgment, and that is what we shall have to do now. In the first place, Liberals for some generations have, at least ostensibly, committed themselves to the principles of laissez-faire.

Mr. McLEAN (Melfort): By no means.

Mr. BLACKMORE: If they have not committed themselves to the principles of laissez-faire let us acknowledge it frankly before the people so that everyone will know exactly where the Liberal party does stand. One of the chief reasons for the difficulty that faces us to-day is that no one knows where either party stands, and apparently each party is studiously and assiduously endeavouring to prevent everybody from finding out.

Let us deal with the question of laissez-faire. Laissez-faire involves four fundamental principles: first, free trade; second, free export of capital; third, no interference with contracts between employer and employee, or free association; and fourth, a metallic currency.

Mr. DUNNING: Whose definition is that?

Mr. BLACKMORE: What Canada is waiting to hear is a definition from someone in the Liberal party—a definition other than this. It only illustrates what I said a moment ago. We want to find out where these parties do stand; we want to know what the difference is between the Liberal party of to-day

and the Liberal party of fifty years ago. When we know that we shall be in a position to judge.

Let us consider to what extent the Liberal party to-day agrees with these four principles and to what extent the principles themselves can be accepted. The first is free trade.

An hon. MEMBER: What about social credit?

Mr. BLACKMORE: Some hon. members are anxious to hear about social credit. When we turn on the social credit guns they will wish they were not hearing about it. A most interesting statement—interesting not only to all parties in this house but to the people throughout the country—is to be found in the words of the Minister of Labour (Mr. Rogers) when, speaking on February 7, he said:

> You cannot move to extremes in tariff policy without endangering national unity and without undermining the very foundations of federal public finance.

In other words, the principle of free trade apparently has gone by the board. The next question is, what is going to be the effect on the people when a man who has been an avowed free trader stands up in his place in parliament and makes such a statement? The effect is to destroy the confidence of the people in that man and in the party. There is no escaping that conclusion and the result is great chaos in ideas. For instance, suppose we take the question of sugar. I will discuss that question to illustrate the present chaotic thinking among the parties. Does the Liberal party as a party favour the protection of the sugar industry, or does it not? If it favours the protection of the sugar industry then it favours the protection of other industries; if it does not favour the protection of the sugar industry how can it favour the protection of others? The result is that, since we are not able to give consistent answers to these questions, we are simply in a state of chaos so far as the whole question of protection and free trade is concerned.

Mr. McLEAN (Melfort): What has graft for the sugar industry to do with the resolution before the house?

Mr. BLACKMORE: All these things indicate why there is graft in Canada. I say that the chief reason for graft is simply the fact that neither party dares to come out before the Canadian people and tell them what it stands for. The result is that they try by every means to get power, regardless of what they will do when they get in, or what the people think they are going to do, or what the people demand, or what the effect is going to be on the morale of the people. All they are concerned about is getting into power. The chief cause of this result is this very thing I am talking about; consequently I maintain that this is strictly bearing out what I set out to say.

As a liberal party what are we going to say regarding price spreads? Western Canada suffers the gravest disadvantage and disability in that connection, because the people out there sell their produce in an unprotected market, while everything they require in order to produce those goods they have to buy in a protected market. For instance, the manufacturers of agricultural implements during the depression cut their prices only six per cent and limited their production so that they would be able to sell all they produced at a tremendously high price, while the farmer who must have agricultural implements in order to be able to produce his wheat saw his prices forced down and down and down according to world market conditions until he was producing a great deal more wheat than before the depression—or trying to—and therefore forcing the price level further down. Until that situation is faced frankly and dealt with by parliament in an effective way, there can never be justice between east and west. That is just one example. Where does the Liberal party stand on that, and what is it going to do? Nobody knows. The result is a great deal of attempted deception, and this very kind of corruption or attempted corruption which we are discussing to-day.

The next principle of laissez-faire is the export of capital. I am not going into that in any great detail, but I want to show how greatly the people become confused by all this. Capital, we are told, is exported to enable us to export goods, and the idea is that if we have free trade and get plenty of export markets war will be avoided. May I read a passage from a book published recently by a young man who is attracting considerable attention? I am not saying he is an authority, but his writings are observed on the American continent at the present time. His name is Christopher Hollis, and the title of the book is The Breakdown of Money. He uses the following words, which ought to be impressive to all those who are seeking the causes of war. I read at page 93:

> The Boer war, the Russo-Japanese war, the troubles in Egypt, on the further African coast, in the Balkans—all were terrible warnings of the inevitable nemesis of a world of exporting capitalists, each convinced that his

money had a right to find its own level. Nineteen fourteen was the conclusion of the story.

Any party seeking the support of the people of Canada in an election at this time is invariably asked: What stand are you going to take on war? What are you doing about it? Are you committed to participation in a European war? Have you any entangling alliances with Great Britain? Hon. members know that is true. Why is this so? Because people are so completely bewildered with regard to the causes of war they are trying to the best of their ability to understand those causes and avoid them.

Mr. SPEAKER: I think the remarks of the hon. member are not being directed to the motion before the house. I would ask the hon. member to confine himself to the motion.

Mr. BLACKMORE: Thank you, Mr. Speaker. I shall endeavour to confine my remarks more closely to the subject before the house, although I think I could easily prove that these observations are strictly applicable to the causes of corruption in Canadian politics. But of course I submit to your ruling.

I hope you will permit me, sir, just to mention the other two principles of laissez-faire. One is free contracts, which would simply mean, for example, the abolition of trade unions. The other is metallic currency, which has been the cause of the most deplorable series of disasters which the human race has ever undergone. I shall leave the discussion of these until another time, but they bear most cogently upon the question we are discussing.

Now may I go on to show why these things have brought about this condition of corruption? There prevails a wide diversity of misconception. What do we mean by economic nationalism? Is it good or is it not? Is it the cause of war or is it not? There is general confusion in regard to the attitude on foreign relations. There are doubts as to the value of foreign trade, doubts as to the value of certain industries.

The Conservatives on the other hand are endeavouring to be true to their principles. I have not time to discuss that, and I gather from your opinion, Mr. Speaker, that it would be unwise for me to attempt to do so at any length. But I wish to show that the Conservatives also hardly know where they are at; nobody knows where he is at; nobody knows where either party is at. The result is that to come before the people and educate and train them so that they can think about real issues instead of red herrings is to-day next to impossible.

The question then is, what are we going to do about it? I say that the cure for all this difficulty is the truth. Are the representatives of the parties that are in this house to-day, are the supporters of parties who are outside the house, willing to let the people know the truth and let the people judge and let the people rule? If the answer is yes, then it is indeed a simple matter for us to remove this outrageous blot of corruption. Let us in this parliament set to work in an earnest attempt to discover the truth; never mind playing politics, but find what is right, what is in the best interests of this country, what are the ideas which are advocated to-day and what are the points in favour of or against each of them. That is what should be done, without any confusing of the issue. Let me say that I greatly appreciate the attitude taken by hon. members of this house; I believe they are inclined to seek and follow the truth, although previous parliaments have been less inclined to do so. Very well; if we in this parliament are satisfied that it is the truth we want, that is the first point. Then are we willing to allow the truth to go over the radio—the truth and only the truth?

Mr. MARTIN: And in the press.

Mr. BLACKMORE: And in the press, the truth and only the truth. Are we willing to have the bankers in the little branch banks in every community throughout this country know the truth and tell the truth, pure and unvarnished? If we are, it seems to me it is a proposal worthy of consideration that parliament should set aside for this purpose a sum of money before each election, on the principle that it is in the interests of this country that the people should know the truth; for a people who are uninformed, ignorant, deluded by misconceptions and false propaganda, are in an exceedingly dangerous state and are likely to do all sorts of unexpected and unaccountable and irresponsible things. Since, then, it is greatly in the interest of all concerned, and especially of governments, that the people should know the truth in the fullest possible degree, parliament should calmly and upon due consideration decide how much money may be necessary to permit the dissemination among the people of the various ideas entertained and put forward by the different political groups which seek election.

How much would it cost? We should set down a certain amount. Then suppose there

are four parties facing the country at the next election, we say each of those parties shall be allowed a certain number of national hook-ups over the radio. Let each party have free speech over the radio, and let parliament pay for it; because parliament is interested in spreading the truth. There is grave danger, I say, in the people not having the truth; such a condition is likely to lead to communism, or fascism, or perhaps worse. Then, how much do the parties concerned require, within reasonable limits, to attend to stationery, advertising, pamphlets, letters and that kind of thing, all of which is necessary in conducting elections? Parliament will estimate the amount; it will set a figure, issue to the various parties the sums determined upon, and then allow them to go ahead and conduct their campaigns. Under that system the best party, according to the opinions of the people, would win.

An hon. MEMBER: What about a new party just breaking in?

Mr. BLACKMORE: Then, we must consider newspaper advertising. To a great degree this type of advertising enters into the campaigns in many constituencies. If that is thought advisable, money could be set aside for that purpose. In addition, there are halls to be engaged. If halls are necessary—and we all agree that they are—and if a certain number of meetings are to be held in the halls of a certain community, let us set aside certain moneys for those halls.

We must consider also transportation. At the present time there are very strict rules in connection with the transporting of people to the polls. So far as I have heard, it is well recognized that those rules are largely ignored. In my opinion that is a most unhealthy condition. If we are going to transport people to the polls, then let us make allowances for doing so. Let us have it attended to in an open and aboveboard manner.

If these things are done we would be prepared to approach the concerns the leader of the opposition has mentioned. He implied that there were organizations in the country which were making substantial contributions to election funds. I am going to assume—and I think it is only right that we should—that those organizations are making contributions because they want their particular ideas to prevail. Perhaps their ideas are the correct ones; who knows? If they are willing to contribute certain moneys in order to have their ideas prevail, why not allow them to make those contributions in an aboveboard and open manner? Let the names of those who contributed be stated. Let the amounts be known. Let the purposes for which the contributions are made be stated. Let it be known whether it is the desire of the organization in question that the fund be allocated to the Conservative party. If it is so allocated, well and good. If it is given to the Liberal party, well and good.

That is the only way we have been able even to approach the solution of the problem in Alberta. Such having been done, we can now turn in this parliament to the task of determining the situation here. If investigations are made we will be able to go back, every one of us, and tell the truth, so far as we have been able to acquire it, and matters will be in a much healthier position when the next election comes along.

In this way we would be in a position whereby we might bring about a more enlightened Canada. I am satisfied about this, having lived in Alberta, where this thing has been done. There are plenty of people who are prepared to sneer at what has been done in Alberta, but the people who have been in the province, people who have been through those movements and know how an election is carried on out there, realize that the people's method is a great benefit. Improved practices tend to purify political life. I confess I can see no other way in which we can possibly purify and cleanse the public life of Canada, and in any way enable the people to register their will at any election.

Such being the case I take great pleasure in seconding the motion of the hon. member for Peace River (Mr. Pelletier) that an investigation be conducted into the corrupt practice charges which have been made.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, I want to say a few words on the motion now before the house. First of all, as a member who has sat in his place for the last twelve years may I say here and now that I do not hold my seat through any kind of corruption or forced subscription of any kind to any corporation or interest.

I have read the words of the right hon. leader of the opposition (Mr. Bennett) as they appear in Hansard, and I believe he said either too much or not enough. I must state sincerely that so far as I am personally concerned no strings are attached to my own activities. There has been no corruption in connection with my election, personally, and I believe this applies to all hon. members of the house.

To show how this matter may work out may I say that only a few days ago I received a request for a subscription to be made to one

of the best Protestant churches in my part of the country, and I was only too pleased to subscribe. My only regret at the time was that I could not give more. I was in a position to know of the good work that church was doing for a large number of people in that pioneer section of my constituency.

Although the suggestion is made that democracy is at stake, I must say that it ill behooves members of parliament to make the statements which have been made to-day, and I think the atmosphere must be clarified. In this connection may I point out one or two things the Social Credit party has done in the province of Alberta, both provincially and federally. May I make reference at this time to the rash promises which were made in that province? Those were promises made by a party to gather the votes of the electors.

I vividly remember the first emergency session in 1930 when, for the first time, the previous parliament was assembled in Ottawa to deal with unemployment. I well remember that on that occasion the then prime minister, the present leader of the opposition, coming from the senate after hearing the speech from the throne, entered the door of the chamber behind Mr. Speaker's chair. Walking from that point to his seat in the house he received an ovation from every section of the House of Commons. But at the same time, walking with him, over and above him, were the promises he made during the previous campaign. Regardless of his work and regardless of the energy he exerted for his country from 1930 until 1935, the fact remains that those promises remained with him, so far as the electors of Canada were concerned, and the electors would not forget them.

The mover and the seconder of the amendment belong to the new Social Credit party. I have no personal grievance against that party. My sincere and earnest wish would be that from the activities of that party we might eventually find it possible to solve some of the great questions now confronting us and, if I may use the term, to humanize the monetary system of Canada and remove some of its anomalies. At the same time I must point out to hon. members of the Social Credit party how they won their election in Alberta, and also how the federal members attained their seats in this house. I well remember that some of the electors of that province sang the verses of that song:

> We'll build a sweet little nest
> Somewhere in the west,
> And let the rest of the world go by.

Social credit was going to solve all their problems. That was to be brought about through the politics of the Social Credit party which were propounded to win the election. I say that it is the very worst kind of corruption for political parties to make promises that they know they cannot fulfil. I do not want to see any one party trying to outbid another in order to catch votes. I do not like to see them making appeals to the electorate and attempting to outbid one another in rash promises which could not possibly be implemented. I well remember that when the hon. member who formerly held the seat for Labelle, Mr. Bourassa, spoke some years ago he referred to the promises made by the then prime minister during the election campaign of 1930, and his statement was this: "Out of those promises will come one of two things; if you fulfil them you will bankrupt the country, and if you do not fulfil them you will go down in Canadian history as the greatest promiser the country has ever known."

What happened to the Social Credit party? I hold in my hand what is known as the Social Credit Manual in which is set out the system of social credit as applied to the province of Alberta and to all Canada. It purports to have been written by William Aberhart, B.A., and was copyrighted in 1935. At page 14 of the manual we find a reference to basic dividends, and I quote:

> To enable each citizen to secure these bare necessities, each of them will receive a pass book in which at the beginning of each month will be entered the basic dividend for that month, say $25.

If ever a corrupt appeal was made to the electors of a province or a country, certainly it was made right there by the Social Credit party. I am absolutely—

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

Mr. BRADETTE: Yes.

Mr. POOLE: This is, after all, only the hon. member's opinion, is it not?

Mr. BRADETTE: No, it is Mr. Aberhart's.

Mr. POOLE: It is your opinion.

Mr. BRADETTE: No, it is Mr. Aberhart's.

Mr. SPEAKER: The hon. member may put a question, but that is all.

Mr. BRADETTE: I beg the hon. member's pardon; I am not giving my opinion. As I said, I am reading from the Social Credit Manual, copyrighted in 1935 and written by William Aberhart, B.A., the present premier of Alberta. That was the spectacle we had in this country. We had a political party absolutely bribing the electors.

Mr. POOLE: No, sir. I object to that statement.

Mr. BRADETTE: It was a bribe. They were told that they would receive at least $25 a month. That is what was promised to every adult living in the province.

An hon. MEMBER: Read it again.

Mr. BRADETTE: I will read it again in order to be absolutely sure. The second paragraph on page 14 of the manual reads:

To enable each citizen to secure these bare necessities, each of them will receive a pass book in which at the beginning of each month will be entered the basic dividend for that month, say $25.

Mr. LANDERYOU: Explain.

Mr. POOLE: Explain the corruption.

Mr. BRADETTE: That was the worst possible kind of corruption.

Mr. POOLE: Explain why.

Mr. BRADETTE: No political party has the right to tell the people that if they are put into power they will dip into the public treasury in order to pay a definite dividend in good Canadian dollars. That is absolutely unfair to our Canadian spirit. A little further on in this same manual, at page 21, I read:

Basic dividends should be $25 a month for every bona fide citizen, male or female, twenty-one years or more. Children of bona fide citizens sixteen years old will receive $5 a month. Those seventeen and eighteen years old will receive $10 a month. Those nineteen, $15, and those twenty, $20 a month.

Mr. McINTOSH: Increasing the bid.

Mr. BRADETTE: That is the worst kind of election corruption we have ever heard of in Canada. Immediately after he was elected, Premier Aberhart asked the people of Alberta to give him eighteen months to implement his policies. I ask the members of the Social Credit group if Mr. Aberhart has implemented the promises he made in the election of 1935?

Mr. MITCHELL: He tried very hard.

Mr. POOLE: Did the Liberal party carry out its promise to keep its hands off our government?

Mr. BRADETTE: Question 20 in the same manual reads:

Will dividends always remain at $25 per month?

I want hon. members to pay particular attention to the answer:

No. We believe that the dividends will increase as the standard of living increases. We are not in favour of increasing the dividends, however, very rapidly at first. We would be more favourable to the distribution of greater purchasing power by means of public works or price discounts. We feel certain that the amount of dividends per month will, however, be soon increased above $25.

That is the gospel and the policy that was spread, not only throughout Alberta but also throughout British Columbia, Manitoba and Saskatchewan. It did not get into the east, but I want to tell my hon. friends that the east has been very fair to the idea of social credit; we wanted to study it. We wanted to find a solution for some of the problems we were facing. I remember attending a meeting at the Chateau Laurier at which Major Douglas, the founder of social credit, made an address. I listened attentively and open-mindedly to what he had to say and I hoped to find something useful in his formula. However, even with all his formulas I have never been able to find in them a solution for our social ills.

Major Douglas appeared before the banking committee of this house and again he brought forward his equations. We must be very careful about all these new economic equations brought forward by the theorists. Two and two does not make four according to them; it is much more complicated than that. You have figures on one side and then some letters and other symbols on the other, for the simplest questions. I was quite open-minded as far as Major Douglas was concerned, but for the life of me I never could plumb the abyss of social credit, and neither can the hon. members who have been elected on that policy.

A number of social crediters found it possible to be elected during the last dominion election. As far as they personally are concerned I have no doubt that they are a credit and an asset to our Canadian parliament, but we must remember that they were practically elected upon false promises and policies which they themselves found impossible of application when they were in power.

Mr. QUELCH: Prove that statement.

Mr. HANSELL: I ask the hon. member to withdraw that statement. I was elected by the people of Alberta not on false pretences, and I demand that that statement be withdrawn.

Mr. BRADETTE: I say that hon. members were elected on the promise of $25 per month to every adult in the province. The people of Alberta have given this provincial government all the leeway and latitude possible. Premier Aberhart has been given every opportunity to implement the promises

he made and to demonstrate this wonderful new thing which was to take the people out of the depression, namely, social credit. At that time he was not worrying because he had asked the Albertans for eighteen months within which to implement these promises. That looked like a long time, but those eighteen months have elapsed and I do not think the social credit members as a group have been able to convince other hon. members of the wonderful benefits of social credit and that they have applied it to Alberta. I direct their attention to the old saying: Save yourself before you try to save anybody else.

Personally I have an open mind on these questions; I believe I would be remiss in my duty as a member of this house if I said that everything was all right and that we had no difficulties to surmount as far as the economic and financial situation is concerned. But there are serious problems which we have to face, and this is not the time when a political party should be prostituting itself by making irrational and passionate appeals to the people in the form of bribes.

I have been informed by good authority as to just what went on during the last provincial and federal elections. The social credit candidate would be addressing an audience in the rural section of the province. Naturally there would be some married women in the audience. The speaker would turn to a married woman and ask her if she were satisfied. She might reply that she was, that she had a good husband. He would then ask her, "Have you all the money you want?" The answer would be, "No, my husband is poor." Then the candidate would say, "If you vote for us we will give you $25 a month for your own money." If that was not the worst kind of bribery, I do not know what it was.

Then a social credit candidate would be addressing a group of young girls, no doubt most of whom were thinking of marrying—after all, that would be quite logical. They would be asked, "Have you all the money you want? Would you not like to have a nice hat or a nice pair of shoes?" The reply would be, "Yes, but I have not the money." Then the statement would be made, "Vote for us and we will give you $25 a month." Again I say that that was the worst possible kind of bribery.

I repeat what I said at the beginning. I believe in a hundred per cent confederation. What we want is purity as far as politics are concerned. Party funds there are, and there is no need to blush for that. I give to my own church and to other churches. That is not a fault; I am still loyal to my own church, but I also know of good work done by others. I maintain, Mr. Speaker, that there is no stigma attaching to any member of this parliament, no matter on which side of the house he sits, in connection with party funds. But if corruption were rampant I would be the first one to hold up both hands for the amendment.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to congratulate the hon. member for Peace River (Mr. Pelletier) upon his courage in bringing this resolution before the house. I think it is unfortunate that so far, since his speech, the debate has tended to become a purely party affair.

Mr. BRADETTE: Oh, no. You make promises too.

Mr. WOODSWORTH: The hon. gentleman is not going to divert me by a suggestion of that kind from the few words I have to say. I would hope that the great Liberal party would have some better answer than merely to hurl charges at the social credit group, little as I agree with the theories of that group. But I would like to bring the house back, if I may, to the resolution now before it.

No one can sit in this house as I have done for some sixteen years without hearing a good many charges of political corruption. No one can go through a number of campaigns east and west without being fairly sure that vast sums of money are being spent in elections. The trouble is that it is extremely difficult to secure definite proof, and most of us are not in a position to carry out the court actions which would be necessary. But two things are apparent. First of all, very large sums of money have been spent in elections, and extremely large sums in certain recent by-elections. Further than that, under the present elections act we have no means of ascertaining whence these large sums come. Some years ago when that act was being revised some of us tried to have inserted an amendment under which we would have a record of the sums given by local people and also the sums given to the central campaign funds, but the government would not accept an amendment along that line.

It is only a few days ago, as the hon. member for Peace River has pointed out, that the leader of the opposition (Mr. Bennett) made some very serious statements. It is true he did not make any very definite charges, but he made some very serious statements. I would point out to the house that he is in a somewhat different position from that occupied by the ordinary member of the house. He is a recognized official of the house, and when he

makes a charge in the house it cannot lightly be set aside. As has been said by the Minister of Transport (Mr. Howe), he said either too much or too little. The impression that there is something radically wrong in the conduct of elections has gone abroad from one end of this dominion to the other. In my own city the Free Press, which is generally acknowledged to be a Liberal organ carried a cartoon representing the two leaders as the kettle and the pot, and the legend was, "The pot calls the kettle black." That is rather a cynical way of dealing with the matter. I do not think that charges should be made in this house by the leader of the official opposition without some investigation being made of them.

I recognize that even though this matter should be referred to a committee, it might be very difficult to secure all the evidence desired. I presume members of the government may say that they are not going to allow us to set up a committee that might go on a fishing expedition or something of the kind. I know there are limitations to the work a committee can accomplish. At the same time I feel that it is in the interests of clean government in this country that charges of this kind should not be allowed to pass unchallenged. Unless democracy can work in an atmosphere of something like reasonable freedom, democracy becomes a veritable sham. An impression is abroad throughout the country that to-day it is money that rules in elections as in a good many other fields. I think, Mr. Speaker, that when charges as serious as this, even though they are not specific, are made, they should be investigated by this house. I have therefore very great pleasure in supporting the motion of the hon. member for Peace River.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. member who has just taken his seat (Mr. Woodsworth) expressed regret that the discussion which has taken place this afternoon should have partaken of a partisan nature. If he had that regret I must say I wish he had been wise enough to advise those around him as to the consequences of bringing in the motion on the subject to which it relates in the form in which it is. Just an hour or so ago I moved that the house resolve itself into committee of supply in order that the government might obtain the wherewithal to carry on the business of government. The hon. member for Peace River (Mr. Pelletier) has moved an amendment to that motion, which is to the effect that the house shall not go into supply but shall do something else. What that something else is I shall remind the house in a few moments. But what would be the effect of the amendment were it to be carried? The effect would simply be that the government would be defeated, no supply could be voted and there matters would end for a time at least. It is a motion of want of confidence in the administration, and as such it is necessary that the administration oppose it so as to make possible its right to govern in this country, with the loyal support of its following in this house.

[Mr. Woodsworth.]

Had hon. gentlemen opposite desired a discussion in a manner which would not involve a vote of a want of confidence, there being no charge of any kind against the administration, they might have given notice of a motion in the regular way upon which the subject matter of the resolution might have been fully discussed. There would then have been perfect freedom on the part of all to discuss the matter regardless of their relationship to the government or otherwise. It is necessary, however, for me to point out clearly that the motion in the form in which it has been presented is a want of confidence motion in the administration, and if it were to carry, the government would be defeated. It is a want of confidence motion based on what? On nothing whatever in the way of substance.

May I remind the house what the hon. member said about his own amendment? I shall read the amendment first:

> This house is of the opinion that charges of levies in connection with Canadian National Railways contracts as well as statements concerning electoral corruption should be referred to a select committee of this house with power to send for papers, persons and witnesses and to take evidence under oath and to report to this house.

After he had read his motion, he asked over and over again: Is it not desirable that we should remove these shadows which are on the horizon? Is it not necessary that we should remove the shadow which is over this house? Is it not necessary that we should do away with the stigma that has been placed upon this parliament? Are we not here for the purpose of preserving the honour of this parliament, of saving it from dishonour? Let me ask my hon. friends who have spoken on the other side of this house: Who have created this shadow? Who have spoken words which have cast reflection upon this parliament, other than the hon. member who moved this resolution, the hon. member who seconded it, and I regret to say also, the leader of the opposition (Mr. Bennett)? It is a new alliance that we have, this Conservative-Social Credit alliance, which has

taken also into its fold the leader of the Cooperative Commonwealth Federation (Mr. Woodsworth). These gentlemen have been spending their time since this parliament opened to see how far they can go in manufacturing shadows—

An hon. MEMBER: That is all.

Mr. MACKENZIE KING: —shadows which, in their attempt to discredit the institutions of parliament, will discredit themselves more than anyone else. It is impossible to deprecate too strongly the kind of suggestion which has been made by hon. gentlemen opposite. They have not preferred a single specific charge of any kind. If they have preferred such a charge I should like them to get up and repeat it.

An hon. MEMBER: And risk their seats.

Mr. MACKENZIE KING: There is not a member of this house—neither the leader of the opposition, the mover of the amendment, the seconder of the amendment, nor the leader of the Cooperative Commonwealth Federation group—who has had the courage to stand up in this house and say that he has a specific charge to make against any member of the government or of this house or against any one of those who have been carrying on the public business of this country. I say that, until a specific charge is made, the duty of this parliament is to go on with its regular work and not permit itself to be diverted from the business of the country by shadows which are the creation of minds too full of darkness to bring forth the truth they talk so much about.

What is the kind of language which we have been obliged to listen to this afternoon? Let me refer to what we heard from the hon. member for Lethbridge (Mr. Blackmore) who seconded the amendment. He talked about an octopus—about some general feeling throughout Canada that somewhere or other there was an octopus whose long, hidden, treacherous tentacles were clandestinely getting a grip on the whole country. I wonder if that is patriotic language? I wonder if that is language calculated to create pride and esteem in the breasts of young Canadians, who he says need good examples in all these matters. The effort to besmirch parliament and to dishonour the names of men in public life is to my mind the most contemptible of all possible actions. I say that hon. members who have nothing specific in the way of charges to bring before this house had better remain silent when it comes to seeking to discredit others thereby maligning the institution of which they themselves happen to be members.

My hon. friend who moved this amendment said that when I spoke previously with regard to the subject matter of electoral corruption I read a prepared statement. He emphasized two or three times that the statement was a prepared one. It was prepared, and designedly so, and for the reason that I am going to give my hon. friend. Had I made a statement of my own my hon. friend might have been the first to say, "We are listening to the Prime Minister making his own statement on this matter. We know that he is concerned in these matters, and we therefore ask you to take his statement with a grain of salt." I requested the clerk of this house to give me a statement as to the procedure which the parliament of Canada, and in particular the House of Commons, should adopt with respect to any charges of electoral corruption, a statement that I might read to all hon. members, setting forth the position beyond possibility of contradiction or controversy. I then read to this house what the laws of this country, the laws of this parliament, have set forth as the method of dealing with questions of this kind, and referred to the rules and regulations of the House of Commons in dealing with such matters.

This is not the first time in the history of Canada that vague and general charges of electoral corruption have been made. They have been made ever since there has been a parliament, and they will continue to be made as long as we have men who are prepared to besmirch the institutions with which they are associated. In order to protect honourable men who wish to keep themselves free from that kind of thing, parliament has enacted laws to protect its members. They are a part of the laws of the country to-day. They prescribe the methods which must be followed in dealing with questions of this kind. The hon. member for Peace River (Mr. Pelletier) says he does not care anything about laws; he is not interested in them. Well, we are. There are far too many people in this country to-day who are asserting the very doctrine which my hon. friend has asserted, that they do not care anything about laws, that they are not going to be governed by laws. It is just that kind of thing that this government is going to stop, if we can possibly do it, and regain in our country a proper respect for law. The hon. member for Cochrane (Mr. Bradette), who spoke a few moments ago, properly pointed out that those who adopt this tone have not only forgotten respect for law but have forgotten respect for fair and honourable methods of procedure, to an extent which a few years ago would not have been countenanced for one minute. Never before

in the history of Canada, until it was done by the party to which my hon. friend who moved this resolution belongs, did any party come forward and openly offer to pay five, ten, fifteen, twenty, twenty-five dollars a month to those whose support it sought; nothing of that kind ever occurred before in the history of this dominion. And if we are gradually slipping down to a point where we are beginning to talk about corruption from one end of Canada to the other, and an octopus which has its tentacles all over this country, it is due to that very corrupting of the electorate in a manner and to a degree such as this country has never known heretofore.

Let me say to my hon. friends that if the laws are not adequate to deal with the question of corruption in electoral campaigns or of corruption in any other place, or way, or form, if there are hon. members who can bring forward suggestions which will make our laws better than they are, the present administration will be only too willing to work with them to the full to give such suggestions, if they are at all workable, a place on our statutes. We are only too anxious to see that our electoral laws are made as effective as possible to prevent anything in the nature of corruption. The government intends, in pursuance of its promise at the last session, to deal with the franchise and with the electoral laws again this year, so there will be an opportunity for all hon. members to come forward with any suggestions which they may have, any concrete, practical proposals which they may care to make. The government will be glad to consider any such proposals. I here and now invite hon. members, instead of wasting their time in doing what they can to defame the institution of parliament and democratic government in this country, to come along with practical suggestions whereby we can prevent in the future anything of the kind which they to-day are imagining has taken place in the past, or which actually may have taken place in the past.

What then is the method of proceeding with matters of this kind? It is well known. If anyone has a charge to make, let him make it as a specific charge, not in the form of a general allegation. What does the amendment say?

> This house is of the opinion that charges of levies in connection with Canadian National Railways contracts as well as statements concerning electoral corruption should be referred to a select committee of this house—

Since when have we begun to refer statements on different matters to special committees of this house? We would have time for nothing else were we to start that sort of thing. The hon. gentleman refers to charges of levies in connection with the Canadian National Railways. Where and by whom have the charges been made? Did the leader of the opposition make a charge? Not a bit of it. He made a general statement. The hon. member for Winnipeg North Centre suggests that the position of the leader of the opposition is one of exceptional significance and importance in this house. It is, and for that very reason my right hon. friend should have been the first to see that no general allegations fell from his lips, but that a specific statement was made in the nature of a charge if he wished to have the subject investigated. May I say to the right hon. gentleman and to every member of this house here and now that if he or any hon. member will make a specific charge with respect to corruption and will say that he has reasonable ground for believing that he can bring forward evidence to substantiate that charge, this government will give him a committee immediately to have the charge investigated. I say that not only to the leader of the opposition but to every member of this house; and further, I say that until hon. members are prepared to make specific charges they should cease to make allegations which they are not brave enough to back up or have not sufficient knowledge to substantiate in any shape or form.

We are not here as a government to fight shadows. My hon. friend says, "Let us remove these shadows on the horizon; let us remove the shadow which overclouds this house." I say, give us something of substance and we will have it investigated; but we will not spend our time fighting shadows conjured up by hon. gentlemen opposite.

And now may I mention one other matter—probably it was an oversight on the part of the hon. member for Peace River. There are certain customs which are well understood with respect to the conduct of business in this house, customs which enable debate to proceed with more in the way of information than would otherwise be possible for those participating. One of these customs is that where an amendment is to be moved on going into supply the administration should be given some notice of it, so that at least there may be an opportunity, when the house is considering the question, to have citations and references specifically quoted, that statements made in the course of debate may be substantiated. The hon. member has moved this amendment without saying a word to the government in advance about his intentions

in the matter. I happened to hear a rumour that the leader of the opposition had been talking last night in the corridor with the hon. member who seconded the amendment, and they were heard to say that the hon. member for Peace River would bring something forward to-day Knowing pretty well what that something might be, I assumed that this was the kind of motion we were likely to have from him. In the few hurried moments at my disposal I sought to recall incidents in this house in previous years when the Conservative party, while in opposition, and usually beginning at the third session of parliament, started something in the nature of scandal. I therefore looked up Hansard to find out what took place during one of the sessions when Sir Wilfrid Laurier was prime minister and I found in the third session of the tenth parliament the record of exactly the same sort of thing that we have at the present moment. Everything was brought forward in much the same way. The stage was set in the first instance by having someone come along with a general charge, a general statement alleging among other things graft on the part of some ministers of the crown. That is the kind of thing that is meant by levies on the Canadian National Railways—talk of graft. At that time the very same comment was made that fell from the lips of the Minister of Transport (Mr. Howe) the other evening—that the hon. gentleman making the general statement had said either too much or too little—and the then member for Labelle, who was sensitive in these matters of political honour, moved in this house one day that either what had been said should be put in the form of a substantial charge or that the words should be withdrawn. I had expected that this would be the form of motion that we should have had from my hon. friend to-day, namely, that either a substantial charge should be made or that the words should be withdrawn. But he has not put his motion in that form. He has gone a step farther, and as if a charge had already been made has asked that a committee be appointed immediately to investigate the matter.

Let me draw my hon. friend's attention to what was said on the occasion to which I have referred. I am not going to mention the names of those who participated, those who at the time had to do with general charges. I do not think it reflected credit upon them then, and now that they are gone I do not wish to discredit their names further. The statement was made by one hon. member that he was going to discuss certain things including graft. Then the hon. member stated further, pretty much as the leader of the opposition has done on this occasion, that he had "data" and "material" at his disposal with respect to charges. The motion that was presented to the chair by the then member for Labelle was:

> That such a statement, undefined as it is, with regard to the parties concerned, reflects on the honour of the house and of the government;
>
> That the hon. member be therefore invited, either to name the ministers and members of the house to whom he was referring—
>
> On such-and-such a date.
>
> —and to specify his charges against them, or to withdraw his accusation.
>
> That unless the hon. member complies with that request and adopts one of these two courses, he stands censured by this house.

The matter had been pretty fully discussed on a previous occasion and His Honour the Speaker was obliged, because of the previous discussion, to rule that it could not be discussed again and for that reason the Speaker ruled the motion out of order, and was sustained in his ruling when it was challenged. But the purpose of the motion was to clear the record as quickly as possible of any imputation in the one way in which parliament where a specific charge is made has always dealt with such matters.

I wish now to read to the house what Sir Wilfrid Laurier, speaking in this house with respect to that motion, had to say about the method to be adopted in dealing with general questions of political corruption, graft and the like.

Mr. BENNETT: What date was that?

Mr. MACKENZIE KING: April 3, 1907. Sir Wilfrid Laurier said:

> If the object of the hon. member for Labelle is to clear the atmosphere of the house, there are cases and cases showing how this is to be done. The house has affirmed, and it is also the rule of the house which has come to us from the mother of parliaments, that the conduct or standing of any member of this house cannot be impugned except upon cause being shown and until a member rises in his place in the house and says: I have reason to believe and I can prove such and such a thing against a member. Otherwise there is no occasion to go into this general inquisition which is proposed by the hon. member for Labelle. If, at a later period, the hon. member for Labelle or anybody else thinks there is in this house any member who ought not to be a member of it, who has disgraced himself, or whose conduct ought to be investigated, it is open to him to demand such an investigation, but the house, I hope, will not depart from the sound traditions which

have come to us from England and according to which there could be no inquisition into any man's conduct or standing except on charges made specifically. If, unfortunately, there are members of this house who are not fit to be associated with gentlemen, who are not fit to be members of this house, whose conduct ought to be investigated, it must be the painful duty of the house to make such an investigation—

There is a noticeable difference here from the language used by the hon. member in proposing the motion, also from the words used by the hon. member for Winnipeg North Centre (Mr. Woodsworth). The hon. member said that it was a pleasure to him to introduce the amendment—not a painful duty, but a pleasure. Well, it is a poor form of pleasure.

Mr. WOODSWORTH: Mr. Speaker, as a matter of privilege, I did not state that it was a pleasure for me to introduce the resolution. I did not introduce the resolution; I had nothing to do with the form of it.

Mr. MACKENZIE KING: But my hon. friend said he had pleasure in supporting it.

Mr. WOODSWORTH: Yes, I had pleasure in supporting it.

Mr. MACKENZIE KING: Well, I should have thought it would be a painful duty, not a pleasure.

Mr. PELLETIER: I simply wish to say the expression is unfortunate.

Mr. MACKENZIE KING: To continue with Sir Wilfrid Laurier's remarks:

—but only under the safeguard which has been provided by the house. I think the common sense of the house will not allow a departure from what is a well known law of parliament, or from the rules which would be applied in England, if cases of this kind were to arise, and therefore it seems to me that we have only to maintain the traditions and rules of the house and of parliamentary government. If there are cases which arise and which call for the application of disciplinary measures, I am sure, from experience that we have had not very far back, the house will be equal to the occasion every time.

Now that has been the practice which has been followed in dealing with matters of this kind at all times, as the older members of the house well know, in this parliament from confederation to the present time. It is the practice which is followed at Westminster to-day. It is, moreover, the practice to which the present administration is going to adhere. And may I say that there is a very special reason, a new reason, a strong reason, why to-day it is all-important that we should follow this practice. That reason is this, that there is, I regret to say, an effort in our country coming from two directions, supposed to be opposed to each other but having much in common—

[Mr. Mackenzie King.]

Miss MACPHAIL: The Liberal and Conservative parties.

Mr. MACKENZIE KING: No, not the Liberal and Conservative parties, but the communist and fascist parties, each of which desires to do away with the parliamentary system of political parties having free discussion on the floor of parliament and to substitute for it dictatorship. And the method which they are adopting to bring this about is to besmirch as much as they can the institution of parliament, and the names of men in public life, to make general charges, insinuations, allegations and the like, with a view to creating from end to end of the country the impression that democratic institutions have failed and that they with their dictatorships should take their place. I say, Mr. Speaker, that we are not going to lend ourselves to anything of that kind. We in this house, we on this side of the house at all events, intend to stand by parliamentary institutions, parliamentary methods of government, parliamentary procedure, to do all that we can to defend democracy and to save our parliamentary system from being defamed by those who are unworthy of having any association with it.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it shows to what low level debate may descend when the Prime Minister of Canada (Mr. Mackenzie King) will stand in the chamber of which he is supposed to be the leader and repeat a conversation alleged to have taken place between two members in the corridor. Nothing could more clearly illustrate the depth to which we have fallen in this chamber.

Mr. MACKENZIE KING: I was giving the house the only notice I had.

Mr. BENNETT: Last evening when the house rose I had a conversation with the hon. member for Lethbridge (Mr. Blackmore) and I am going to repeat it in order that there may be no misunderstanding. I pointed out to him that it was not sound parliamentary practice to attack the judiciary; I told him the motion he was making with respect to remission of sentences was an unsound method of approaching the problem, and I suggested that if he desired to throw the weight of his entire parliamentary body to the support of his position a petition should be prepared, signed by them all and sent to the proper quarters. I did more than that; I pointed out to him that it was a private prosecution, not one by the attorney general

of Alberta, who declined to make it, and I left it at that. And he said, "I intend to come back to it, and if I have to speak to you I hope you will have no objection to my asking you about it, in the light of your experience." As far as my memory serves me, even the words "in connection with this matter" were not mentioned. Am I right as to that?

Mr. BLACKMORE: Mr. Speaker, I bear testimony that that is correct.

Mr. BENNETT: It was not even mentioned. Now we are told in the house that the Prime Minister had notice that some discussion of this kind was to take place this afternoon because someone eavesdropping heard something which did not occur. Then he talks about besmirching the honour of parliament and about shadows! Well, the shadow was falling, it is true; the lights were going out at that time, and possibly that is the shadow he had in mind. That is the first matter to which I direct attention.

If there has been a besmirching of the honour of parliament and if the reputation of parliament has been lowered in the public mind it had its origin, as everyone knows, in the Beauharnois scandal. There is no one in this country who does not know that. The man on the street knows, the young man and the young woman on the street know that this power company contributed a million dollars to the Liberal campaign fund in 1930.

Mr. MACKENZIE KING: That is not true.

Mr. BENNETT: That was found as a matter of record.

Mr. MACKENZIE KING: It is absolutely untrue.

Mr. BENNETT: The right hon. gentleman should know—

Mr. MACKENZIE KING: If my right hon. friend wants to debate scandals we will talk about the Pacific scandal and a few others.

Mr. BENNETT: We will not talk about the Pacific scandal; we will talk about something that happened in our day and of which the right hon. gentleman says he has knowledge. He says it is not true. His Minister of National Defence (Mr. Mackenzie) was one of the members of that committee who signed the report.

Mr. MACKENZIE (Vancouver): No.

Mr. BENNETT: He agreed to the report. He made certain exceptions after the report came out.

Mr. MACKENZIE (Vancouver): No. On a point of order, Mr. Speaker, my right hon. friend will find that Mr. Gordon moved the adoption of the report and I demurred.

Mr. BENNETT: That is a correct statement. Mr. Gordon pointed out that in the committee the hon. gentleman had not demurred. Of course it is obvious he would have to demur in view of the attitude taken by his party. Everyone knows that in that incident we have the origin of the present attitude of the public towards this House of Commons. I did point out that the treasurer of the Liberal party was one who received $200,000 from Beauharnois, and I read that the other day in the house.

Mr. McLEAN (Melfort): What about Mr. Aird?

Mr. BENNETT: That is what I read the other day; that is the record. And I pointed out that it is not sound practice that one should occupy a position where he has to vote on matters affecting, for instance, the export of power under a private act, and be at the same time the treasurer of the Liberal party. That is what I said, and I repeat it now. Let there be no misunderstanding with respect to that.

Mr. MACKENZIE KING: May I say to my right hon. friend that the gentleman he refers to is not the treasurer of the Liberal party.

Mr. BENNETT: Well, he was a few months ago.

Mr. MACKENZIE KING: No, he has not been at all. The Liberal party has a committee which handles its finances; no single individual is the treasurer of it.

Mr. BENNETT: Mr. Speaker, I can only repeat that it was given out at a meeting which took place in this city before the election of 1935, and at which Mr. Massey was present, that the Hon. Donat Raymond was treasurer of the Liberal party. That statement I am now told is untrue. But he appeared as such, not long since.

I went further; I pointed out that a member of the senate, who was head of the federal Liberal organization, was not the man who should be in a position of having to vote upon matters, when he was responsible in part for the collection of campaign funds.

Mr. MACKENZIE KING: He is not.

Mr. BENNETT: He in part was.

Mr. MACKENZIE KING: He is not.

Mr. BENNETT: And does it, as he will tell my right hon. friend if he asks him—and has done it; that is more of it. Let

there be no misunderstanding about the matter. He has done it. We have two members of parliament in the senate occupying the positions I mentioned, coupled with the fact, as was stated a few days ago, that these two gentlemen met the cabinet to discuss the physical organization of the Liberal party. I said that, also, was a bad principle.

I say again that if there was anything that originated the present attitude of mind of the public towards parliament, or towards this House of Commons, we find it of course in the Beauharnois scandal, and everyone in Canada is aware of this. Out of that there has grown up the impression, which may or may not be sound—I pointed out that it is an impression—that campaign funds are often gathered in large sums from large power and other projects.

In Ontario to-day a campaign is being carried on with respect to funds which are supposed to have originated from this same Beauharnois, in connection with the local election, in which Mr. Bethune Smith was treasurer of the Liberal party and connected with the power interests as well. The so-called Pacific scandal which my right hon. friend mentioned a minute ago was in connection with a few sums of $20,000 or $25,000. In the case of the Beauharnois scandal we have $200,000 at a lick, collected by Senator Raymond from the Beauharnois interests.

I said the other day, and I desire to make it clear to-day, that I have nothing to withdraw. I made no statement with respect to any member of this chamber. I was very careful not to make any statement with respect to any member in this chamber. For whatever my weaknesses, I at least know that if one were going to deal with that, he would deal with it as Israel Tarte dealt with it, and as others have done; he would stand in his place and make the statement with respect to the hon. member of the house in question.

I did not refer to any hon. member. I was interrupted when I was making my statement with respect to corruption and I say here again that the country is being destroyed by electoral corruption. I was talking not of federal elections alone. I was talking also about provincial elections. I was talking from investigations which I myself have made, which have no reference to this house or parliament. I was talking about conditions which have grown up by which large sums of money have been gathered together by making levies upon those who receive positions, upon those who have contracts, and upon others, which debauch the national life of Canada. I made no reference to any hon. member of the house. I believe it will be found that I have as high regard for the Commons House of Parliament as any man in it. I at least can face responsibility for anything connected with Beauharnois—I had at least the common sense to say, "Not one dollar; I would rather be defeated than take a cent of it."

Let us go a step further. I can readily understand that a new member of the house —and the hon. member for Peace River (Mr. Pelletier) is a new member—would deal with the question as though it were a matter affecting this chamber, rather than one affecting the method by which campaign funds are gathered together. This afternoon the hon. member for Lethbridge referred to the returns made on expenditures in elections. I have taken the trouble to look to some extent into returns made by members of the house. I have tried to find out what it cost them to run their elections. Is there a man within sound of my voice who will say that this in any sense indicates the money that was spent in his constituency?

Mr. WOODSWORTH: Mr. Speaker, the right hon. gentleman challenges me, as a member of the house, to speak. So far as I am concerned, to the best of my knowledge my returns indicate the amounts spent in my constituency.

Mr. BENNETT: Quite so, and I thank the hon. member for directing my attention to that fact. I was speaking about expenditures of which he would have no knowledge, made in ways over which he would have no control. The whole problem is how to deal with that matter.

Mr. DUNNING: Hear, hear.

Mr. BENNETT: I have given some little attention to that problem, and have considered how it might be dealt with. In England and in Australia they have seen fit to put limitations upon amounts which might be expended. In Australia, where they had much the same conditions as we have talked about this afternoon, they also impose compulsory voting, so as to lessen improper expenditure.

I know, too, our statute provides that if a member who has not made returns takes his seat in the house, he is liable to a penalty of $500 a day. There is at least one hon. member who has sat here and who has voted, but who, according to the report of the returning officer, has made no return. What are we going

to do about a situation of that kind? Well, somebody would have to bring action against him, and thereby incur the odium of bringing such action. Can we not deal with it in some other way?

When the elections act comes before the house for consideration I propose to offer certain observations and to make certain suggestions with respect to amendments, by which we may endeavour to cure the conditions to which I have referred, for it is a canker eating at the very life of the country. We all know that England went through that period. Hon. members will recall that history credits Walpole with saying that every man had his price. Hon. members will recall how the matter was dealt with. It was a long time, in England, before they attained to that excellence in the conduct of elections which now prevails in that country. Has anyone who has any interest in the expenditure of public moneys taken the trouble to ascertain where the money came from which was provided in the recent by-elections? Where did it come from? Did it come off the trees? Did it come out of the air? Who put it up, and why?

These are questions which come up periodically. It was to a matter of that kind to which I was directing attention the other day when the Minister of Transport (Mr. Howe) interrupted me and stated that he had to do with a number of contracts for the Canadian National Railways, and stated that he knew nothing of this. Well, I did not suggest that he did. He suggests that he had no knowledge of it. Well, will my worst critic say or suggest that I said he had? What I did say, in answer to his statement, was that I was prepared to show that levies were being made on contractors—and that is an entirely different matter. It has not to do with the honour of the house. It has not to do with the respectability of individuals, unless you bring home to them the knowledge of it.

I have no reason for suggesting that the Minister of Transport had any knowledge of such a condition, and I have not said that he had such knowledge. An effort has been made to make it appear that what I said was that individuals were responsible for this. That is not what I said, nor was it inferred. What I did say was that those who were in charge of the raising of campaign funds were getting funds in that way. We do not have to leave this city, apparently, to find it out. I am sure there is not within sound of my voice a member who, if he takes the trouble to inquire, will not find that those who sell goods or have contracts are being asked for contributions. I said the other day that I am not hypocrite enough for a single minute to deny that contributions are made to the campaign funds of political parties. Of course they are, and we all know they are. What is more, this is done very often with the best of motives.

Sir Joseph Flavelle has said that he had contributed to political parties from his youth. When he earned his first dollar his mother suggested that part of it should go to the church and part to his party. He said that the Right Hon. Mackenzie King was assisted by his contributions when he was running in Waterloo. He made that clear in the public statement he made the other day when addressing the shareholders of the Canadian Bank of Commerce. He said, "Although I think I am a Tory"—I do not know whether he used the word "Tory"—"I did that."

I happen to know that one of the leading contributors to the Liberal party, now no more, said that he believed it was quite proper that rich men should make contributions in order to enable those who were not of their political faith to be able to live in the communities decently and maintain their positions. As a matter of fact that gentleman was one of the contributors to the Asquith fund. What is more, if the right hon. gentleman would only take the trouble to think for a moment he would realize that there are presents and gifts made to men who are not regarded as being in favourable financial circumstances to enable them to maintain their position. Hon. members know that quite often purses are presented to public men. Personally I think that is wrong, but it is done. Reference was made to that on one occasion in the house.

That is the point I was endeavouring to make the other day. I repeat it and I withdraw no word of what I said. It must follow that there are hon. members who know just as well as I that their friends are making contributions to political campaign funds. I was making clear the difference which exists between the contribution that a man makes and an enforced contribution, which I said was a levy. If I say to a contractor, "You have to pay ten per cent, or even one per cent," I am putting him in a position which I think is manifestly unfair. For instance, if you have men who do business with the departments and who are entitled to sums of money, whether for rebates or for refunds of overpaid customs duties or otherwise, it is neither right

nor proper that they should be approached with the suggestion that they should contribute part of that money to a campaign fund.

I mentioned these things the other day and if the Minister of Transport (Mr. Howe) had not interrupted as he did, on the assumption that there was some reflection upon him, which in a moment he knew was not so, this statement would not have been made. But it is a statement that stands; that is all. If the government desire to have the statement investigated, let them do so. But I do not think it comes with very good grace, after the record in connection with Beauharnois, for the Prime Minister of this country to rise in his place in the house and talk as he did this afternoon.

Mr. MACKENZIE KING: I rise to a point of order. I should like to know at once whether my right hon. friend is reflecting in any way, directly or indirectly, upon my integrity.

Mr. BENNETT: I do not know whether it is called integrity. The right hon. gentleman was the Prime Minister of this country when that episode took place. The record speaks for itself; let there be no misunderstanding about that.

Mr. MARTIN: Shame.

Mr. BENNETT: You may call "shame" as much as you like, but the fact is that you are the man who should be shamed because your leader took you into the valley of humiliation.

Mr. MARTIN: I am proud of it.

Mr. BENNETT: I would expect the hon. gentleman to be proud of going into the valley of humiliation.

Mr. BRADETTE: How about buying out the Conservative party?

Mr. BENNETT: Let there be no misunderstanding. The records are there and we can send and get them. I say it ill becomes the Prime Minister of this country to make the observations he has made to-day. I did not reflect upon the honour of any member of the house and let him stand in his place who says I did.

Mr. MACKENZIE KING: I say you did.

Mr. BENNETT: Does the right hon. Prime Minister say that I reflected upon the honour of a member of the house? What member?

Mr. MACKENZIE KING: Every member.

Mr. BENNETT: I am glad the right hon. gentleman is so universal in his observation because he denies the effect of universal observations. Is it a reflection upon the honour of every member of the house that I direct attention to one of the crying evils of our day? Is it a reflection upon the honour of every member of the house that I point out that corruption is a canker which is eating the very life of this country, just as it is in the case of other countries? Do I offer an apology when the right hon. gentleman says that I reflected upon the honour of every member of the house? The singular thing is that he is the only one who seems to think so.

Mr. MARTIN: We all do.

Mr. BENNETT: How delightful.

Mr. MARTIN: Shameful.

Mr. BENNETT: I repeat—and I want there to be no misunderstanding about it—that no one word of what I said the other day do I withdraw or apologize for. It was a statement of solemn truth known to many people. But I did not reflect upon the conduct of any member of the house. When I have occasion to do so, I shall do so in terms which will lead to no misunderstanding.

It is also erroneous on the part of the Prime Minister to say that the only methods of dealing with these matters are those indicated in the speech which he made the other day. He referred to the Controverted Elections Act and other methods, but has he forgotten the West Huron election? Has he forgotten the inquiry with respect to the Brockville election? Does he not remember that the committee on privileges and elections dealt with the matter of ballots on different weights of paper being substituted for correctly initialled and prepared ballots? That is the evidence which was established, not in the courts but in a commitee of this house.

Mr. MACKENZIE KING: Certainly.

Mr. BENNETT: These matters were brought up in the house with respect to the conduct of that election and with respect to charges of graft similar to those to which he is now referring, having taken place in 1907. I wonder if he has read the subsequent proceedings that took place in connection with many of the matters which were mentioned? It is not for me to traverse at this time that long record. There are men from western Canada who know what happened. What is more, there are people who were made bankrupt and ruined financially because of the outcome of those very transactions. All this is known. Every time I hear people talk about irrigation in western Canada I realize, as most men do, what happened in that connection.

I wonder why it is that we are unwilling to spend a little time in going over the

political history of our country. Many members of the house know—I do not say all of them—that they are assisted in the conduct of their elections from some central fund. More than that, they know that that fund is collected by somebody before the election takes place. I remember one of the leading ministers on the Liberal side saying to me in a personal conversation that the difficulty about holding an election at that particular time was the fact that they had no money. Those who take the time to read the speech of the Prime Minister in connection with the Beauharnois scandal and the valley of humiliation will understand fully what I mean. He pointed out the difficulty in the conduct of parties and elections and organizations without money.

Those are the facts to which I was directing and to which I still direct attention. If these matters affected this house alone, the problem would be simpler, but I was also dealing with provincial matters over which this house would have no jurisdiction. That is the reason why I did not endeavour in any sense to specify particular transactions to which reference could be made. Those are matters with which the provinces themselves must deal. This house will have before it the elections act and I trust that an endeavour will be made so to safeguard the sanctity of the franchise as not to allow corrupt forces and influences to prevent the free and untrammelled will of the people from being expressed at the polls. That is the purpose which I had in mind when I directed attention to the matter.

I am not greatly concerned, at my age, about many things. I have seen, I have known, I have encountered the accumulated money of my opponents to defeat me, and what is more I have seen it used on a tremendous scale with respect to one matter only that I shall mention, and that was when Alberta was not allowed to have its own natural resources. All one has to do is to look at the records of those days and one has a very clear appreciation of the situation. I speak whereof I know with respect to these matters, and I say the time has come when we must endeavour to the best of our ability to provide ways and means that will at least do something to curb these scandalous practices.

The right hon. gentleman (Mr. Mackenzie King) complained very bitterly because one of the members of this chamber said that corruption was like an octopus. The right hon. gentleman said that it was a bad thing for the people of this country to have to listen to the idea that the money power was thus powerful. Well, Mr. Speaker, the Prime Minister himself said that the struggle of this parliament must be a struggle against the money power. Those are not my words; they are his. That is not my statement; it is his. He said this parliament must grapple and fight with the money power. And so, when a member says that corruption is an octopus which fastens its tentacles upon the body politic and destroys it, the simple question is, is it true? That is the issue.

There is one thing more. The right hon. gentleman spoke of the dangers that threaten the body politic from communism, on the one hand, and from fascism on the other. My recollection is that he found the chief fascist in the world, Herr Hitler, a most entertaining person and a man who is doing great work.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: That is all right.

Mr. BRADETTE: It is all wrong.

Mr. BENNETT: You cannot have it both ways. You cannot have it, as a distinguished guest, that he is a very great man, and at the same time try to arouse the fears of the public with respect to him. After all, it was not necessary for the right hon. gentleman to travel all the way to Germany to see what he regards as a dictator because I recall that during the election in 1935 he pointed to me sitting opposite as a combination of Hitler and Mussolini.

An hon. MEMBER: Stalin too.

Mr. BENNETT: I guess they had him in it, too. So it should not have been necessary after the election to ascertain where fascism might be found. Then when we speak of dictatorships—

Miss MACPHAIL: A little louder.

Mr. BENNETT: I am bound to say that the voice of the dictator in the land is becoming louder every day, and I think there will be no difficulty in hearing it if the hon. member listens with care.

It is very difficult to deal with some problems by order in council, but it is easy by order in council to destroy a wheat board, for instance. Just pass an order in council, and the wheat board is gone; you have destroyed an act of parliament. Imagine if that had been done by those who now sit to the left of the Speaker! What would we not have heard? It is easy, of course, to enter into discussions in secret, as they have

a perfect right to do, without enlightening the great mass of the public with respect to questions which affect our trade and commerce, but if that had been done by those who went before, what a manifestation that would have been of fascism and dictatorship! Yes, it makes a lot of difference where we sit, and the right hon. gentleman who sits to the right of the Speaker to-day as Prime Minister finds the situation entirely different from what he did when he sat to the left. Then everything was wrong; everything was black; everything that was done by those in office in those strenuous days merited only criticism, abuse and vilification. But now, clothed with power, sitting in the seats of the mighty, hon. gentlemen on the government side by a stroke of the pen pass an order in council that destroys the wheat board—and all is well in Israel! We took other steps, to which reference will be made as the session proceeds, to accomplish similar ends. But now, because attention is directed to one thing that does merit the condemnation of every thoughtful Canadian, young or old, rich or poor, you are besmirching the honour of the house—when no reference was made to any member of this house! Reference was made to a member of the other chamber but that had nothing to do with this particular chamber.

I repeat, Mr. Speaker, that while this motion is not in my judgment the correct method by which to approach the problem which the member for Peace River desires to deal with, nevertheless the methods indicated by the Prime Minister the other day with respect to controverted elections and matters of that sort do not exhaust the powers of this house to deal with the problem, and when the electoral law is up for revision, as it will be, we can at least expect that the Prime Minister and his government will, with every member of the house, see to it that every possible provision is made to prevent these evils from continuing in Canada. The experience of other countries cries aloud to us.

There is no question of shadows. I was not dealing with shadows; I was dealing with realities, and very real things too. I was dealing with actualities, and, as I said the other day, instances could be multiplied if one so desired. But that has to do with something which is outside this chamber. It has to do with an individual and the methods he pursues in doing certain things. No one complains that he, as leading member of an organization committee, should do certain things. But the methods pursued we have a right to criticize, and we do; everything that I said on the address in reply to the speech from the throne I repeat, and I say that if the government take any offence at what I have said they have it within their power to adopt that resolution and deal with it.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I repeat to you what the Minister of Transport (Mr. Howe) said the other day, after listening to all the words of the leader of the opposition (Mr. Bennett): he still either said too much or too little. One's mind goes back, as I am sure yours will, Mr. Speaker, to previous occasions during the third session of a parliament when the Conservative party has been in opposition. Particularly my mind goes back to the session of 1926, because of a curious coincidence. The tool of the Conservative party on that occasion with respect to charges was the member for Peace River —a somewhat tragic figure, as time developed.

Mr. PELLETIER: Mr. Speaker, I—

Mr. DUNNING: I would remind hon. members of the house that they may read—

Mr. PELLETIER: Mr. Speaker, on a point of privilege, I cannot possibly sit in my place and be called a tool. I object to that remark and I want it withdrawn.

Mr. DUNNING: I was referring to a peculiar coincidence.

Mr. BENNETT: The hon. gentleman cannot call any hon. member a tool. I rise to a point of order. The minister cannot call any member of the house the tool of anybody.

Mr. DUNNING: I did not call any member of the house a tool of the Conservative party.

Mr. BENNETT: The minister said that the member was the tool of the Conservative party.

Mr. DUNNING: I said that the then member for Peace River was—

Mr. BENNETT: No, you said this member.

Some hon. MEMBERS: No.

Mr. DUNNING: The record will speak for itself.

Mr. HEAPS: The hon. gentleman did say that it was a coincidence, did he not?

Mr. DUNNING: Well, Mr. Speaker, may I go on?

Some hon. MEMBERS: Withdraw first.

An hon. MEMBER: There is nothing to withdraw.

Mr. POOLE: Mr. Speaker, the hon. gentleman did say that the hon. member was a tool of the Conservative party.

Some hon. MEMBERS: Sit down.

An hon. MEMBER: He did not.

Mr. POOLE: He did say so.

An hon. MEMBER: How does the hon. member know?

Mr. POOLE: Was I not listening?

Mr. SPEAKER: There is nothing to withdraw.

Mr. DUNNING: Mr. Speaker, it is astonishing to me, in endeavouring to be reasonably pleasant in the house, that hon. members in the opposite corner, whose language is so generally condemnatory of the rest of us, should take offence at a reference to a gentleman who is not now a member of the house. It is curious, however, a coincidence which will appeal to anyone who reads Hansard of the session of 1926, the coincidence between the action of the Conservative party on that occasion and the action taken at this time by the present hon. member for Peace River (Mr. Pelletier). It is a coincidence, I say, that it should be so. Perhaps coming events cast their shadows before.

Now with regard to the resolution before the house, where are we? It is, as the Prime Minister (Mr. Mackenzie King) indicated, a plain want of confidence motion, designed to force the government's supporters to vote against the amendment. There is no other course for them to follow unless they are prepared to vote the government out of office, and so they can be represented—all of us can be represented, and will be represented —as favouring corruption in this country, and as voting down an investigation into what? Charges? No. Charges are mentioned in the amendment; but in the hon. member's own speech, in the speech of his seconder, in the speech of the hon. member for Winnipeg North, they all indicated that no charges had been made.

Mr. HEAPS: I never spoke.

Mr. DUNNING: I mean the hon. member for Winnipeg North Centre (Mr. Woodsworth). I beg my hon. friend's pardon. They all indicated what we all know to be the truth, that no such thing as a charge was laid. The hon. member for Lethbridge (Mr. Blackmore) indicated the truth when he said that a black shadow had been cast—cast deliberately for political purposes by the leader of the Conservative party in order to endeavour to rehabilitate the fortunes of his own party, in the manner in which the same effort has been made before, by throwing mud at everybody who is trying to administer the affairs of this country.

Mr. BENNETT: Mr. Speaker, I rise to a point of order. I do not intend to put up with that sort of thing here. The Minister of Finance (Mr. Dunning) has contravened the rules of the house in two respects: first, by the use of the word "deliberately"; second, by attributing a motive to a member of this chamber. The rule with respect to that was read the other day. He may not do so. If he does so he contravenes the rules of the house.

Mr. DUNNING: Mr. Speaker, I am not conscious of breaking the rules.

Mr. BENNETT: Consciousness is not the point. The hon. member did it.

Mr. DUNNING: If I have broken the rules, I shall withdraw any statement which had that effect in your opinion, sir.

Mr. BENNETT: Well then, we shall have a ruling on the question.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: If that is so, Mr. Speaker, I assume we shall have a ruling.

Mr. DUNNING: Mr. Speaker—

Mr. BENNETT: Mr. Speaker, the hon. member has risen in his place. On the point of order raised, he said that he will withdraw anything that is out of order in your opinion. Your Honour is the custodian of the rules of the house, and therefore I take it that you will make a decision, whatever that decision may be.

Mr. SPEAKER: What words does the right hon. gentleman take objection to?

Mr. BENNETT: I object to the use of the word "deliberately," in the first instance. I object more seriously to attributing a motive; he said it was to "rehabilitate the fallen fortunes of the Conservative party." The rule is that no hon. member may attribute motives to another.

Mr. DUNNING: Well, Mr. Speaker, in view of the fact that the task would be an impossible one, I withdraw the expression.

Mr. BENNETT: One would expect, Mr. Speaker, that a gentleman occupying the position of Minister of Finance would not accompany his withdrawal from an improper position with an offensive observation respecting

the remark which he himself made. The rule is clear. He withdraws or he does not. A conditional withdrawal is beyond the rules. Therefore I take it that one with the experience of the hon. gentleman will make the amende honorable and withdraw his offensive expression.

Mr. DUNNING: I did withdraw, Mr. Speaker. It is true that I labour under a disadvantage. If I want to say anything in the house I usually do it straight out, in plain language. I am not equipped personally for so wrapping it up as to convey an insinuation and an impression and the shadow of a charge but to stay nevertheless within the rules of the house. If I transgressed—well, again, unqualifiedly, I withdraw the statement that this effort was a deliberate attempt to rehabilitate the fortunes of the Conservative party. I withdraw it.

To come back to the point at issue, I say that the leader of the opposition stands just where he did when the Minister of Transport interrupted him. He is one of the most experienced parliamentarians in the house, and he knows that he does not occupy the position of an elder statesman who is free to lecture all the rest of us and the country at large upon the evils of humanity and of political parties, and the weaknesses to which all of us are subject. He is the leader of a political party, the leader of His Majesty's Loyal Opposition in the house, and therefore his words are far closer in their significance than they would be if as a retired statesman he went out and made speeches—as he would be capable of doing and as he could usefully do—to the people of Canada upon the general political morality of the Canadian people.

We have had to-day an exposition of the question of general political morality, and the right hon. gentleman says that is all he really intended the other day. But he went further—true, in response to an interruption from my colleague, the Minister of Transport, who, I suggest, had a right to think that some of the words used a few moments before by the leader of the opposition might have an application to one of the great departments of state, the minister of which is responsible for the letting of many thousands of contracts. The leader of the opposition used these words: "What is more, I know of levies being made in connection with Canadian National contracts."

Mr. BENNETT: Hear, hear.

Mr. DUNNING: I hope the right hon. gentleman will believe that I am as anxious to stop any such practice as he can possibly be. There is only one way of following up a statement like that, and that is for him to rise in his place and say, "Mr. Speaker, the contractor I meant was so-and-so, the amount of money was so much," and then we would deal with the charge.

Mr. BENNETT: And be out of order in doing it.

Mr. DUNNING: I assure my right hon. friend that so far as this side of the house is concerned he will have unanimous consent.

With regard to the general question of political morality, as the leader of the opposition has well said, all of us who have had long experience in public affairs know the difficulty of surrounding our elections with adequate safeguards. The Prime Minister was absolutely right when he said that the attack of those who are trying to foist upon the democratic countries of the world the authoritarian system is directed at that weak spot in the democratic armour; and everywhere in every democratic country you will see what we have here—letters from fascist organizations in Canada amplifying and enlarging upon what the leader of the opposition said in the house the other day and demanding all sorts of things in connection therewith, using it as the basis of their literature and their propaganda in favour of an authoritarian state in Canada as a means of getting rid of this sort of thing.

Well, democracy has had its difficulties with regard to public morality in relation to expenditures and all that sort of thing. But it is possible for us to talk about it in the house; it is possible for those who know of wrongdoing to rise in their places and state it; it is possible for this body of men to examine it, and it is possible for this body to punish the offenders. May I point out that in an authoritarian state a man who said what the leader of the opposition said would by now be in another sphere; he would have been "liquidated" or—what is the other word?—"purged". As for my hon. friend from Peace River (Mr. Pelletier), what would have happened to him, I shudder to think.

I was interested in the observation of the leader of the opposition that there ought to be some means of regulating contributions for political purposes. But may I illustrate to him out of his own experience how difficult this must be. In the last parliament one of his supporters made the statement that the leader of the opposition contributed three-

quarters of a million dollars in order to elect himself and his party. There was nothing wrong with that.

Mr. BENNETT: Only it was not true.

Mr. DUNNING: I think this is the first time my right hon. friend has ever denied the statement.

Mr. BENNETT: Oh no.

Mr. DUNNING: At least publicly. But in any case, perhaps I shall not be rubbing a sore spot too much when I say that it was a lot of money even if it was not three-quarters of a million dollars. And in saying so—

Mr. BENNETT: It did not embarrass me.

Mr. DUNNING: Of course it does not and should not embarrass the right hon. gentleman. But what a commentary it is upon his own exposition of the use of money power in elections! If my right hon. friend was fortunately able to do that because he had the money, I shall tell him a secret. In the same election I went into debt in order to try to get elected, and I did not succeed. This again illustrates the very difficult problem in a democracy of dealing with these matters of campaign funds and the use of money in elections. I do not think there is a country anywhere in the world in which even the claim is made that this problem has been solved and that elections and election expenses are now in a perfect condition. The extremely complex set of laws which they have in the republic to the south, the elaborate publication of campaign funds, sources of campaign funds, collections and so forth, have convinced nobody. There also there are loopholes through which the evil doer may pass and does pass.

What we can do in this parliament is this. As the Prime Minister has indicated, from the last session we have the report of the committee with respect to the election act. The government intends to make definite suggestions to the house with respect to the tightening of control over election practices and over monetary matters in relation to elections. Further than that, the government has already engaged eminent counsel to assist in developing these suggestions to which I have just referred.

There is just one way for us to deal with this matter, and that is never to forget, as we have all this afternoon forgotten, that the honour of this institution of which we are members is more important than any other single thing. If the people of this country lose faith in the integrity of this institution then nothing else is of much use. Do I hear my hon. friend from Dufferin-Simcoe say that the Liberal party would be out if the people lost confidence?

Mr. ROWE (Dufferin-Simcoe): I did not say that; I did not say such a thing.

Mr. DUNNING: Will the hon. member repeat what he did say?

Mr. ROWE (Dufferin-Simcoe): I have no hesitation in repeating it. If democracy were discredited at the present time it would be the Liberal party's fault, with one hundred and seventy members behind the Prime Minister.

Mr. DUNNING: If democracy is discredited at the present time it may be because of some action of the Liberal government which is discreditable.

Mr. ROWE (Dufferin-Simcoe): I did not say that.

Mr. DUNNING: And my right hon. friend or any of his supporters has an opportunity to make a charge, which will be investigated immediately. Second, democracy can be discredited by the spreading of a cloud of suspicion, the careful spreading of poison, which was started by my right hon. friend's speech in the debate on the address in reply to the speech from the throne, and has been continued steadily ever since. There is scarcely a newspaper in Canada to-day carrying news of proceedings in this house which does not convey, without any propagandist purpose, the idea that there is something corrupt in and about this institution of which we are members. Anyone reading the speeches delivered by the hon. members for Peace River and Lethbridge in cold blood cannot but reach the conclusion that democracy in this country is a corrupt thing.

There is one way for us to advance in the direction in which our people want us to go in these matters, that is to forget so far as in us lies our partisan interests and when the time comes that the election laws of this country are before the house, to concentrate on and cooperate in creating in this country as good and sound machinery as can be created, as good provisions as can be devised to ensure the highest possible standard of public morality. But that course is not rendered easier by the casting of shadows, the projecting of octopuses—or should it be octopi? I trust that after this resolution is defeated we shall not hear all over this country that the Liberal party was afraid of an investigation—

Mr. ROWE (Dufferin-Simcoe): You might

Mr. DUNNING: I suppose we might. I suppose that is what we may expect, and that is one of the reasons why we cannot advance in clearing up anything which may be wrong. Two courses are open; one is to make a charge and stand by it; the other is to say: We are dealing with a general condition, affecting every citizen of Canada. When the time comes that we have before us the laws of this land dealing with that condition, let us all unite like men to make those laws what they ought to be.

Mr. ANGUS MacINNIS (Vancouver East): It is not my intention to say very much in this debate. I think far too much has been said already. There has been far too much heat shown and far too little reason. I believe that the hon. member who moved this amendment—I did not know anything about it beforehand—moved it in good faith, thinking he was drawing this matter to the attention of the house in the way provided for doing such things. We must remember that the hon. member is comparatively new to the house. This is his third session, and it takes longer than that to become familiar with the rules of procedure and know the ways in which matters requiring to be rectified may be brought to the attention of parliament. But I believe it was with the best of intentions that the hon. member for Peace River (Mr. Pelletier) brought this question up.

It was, however, unfortunate, that his seconder, the hon. member for Lethbridge (Mr. Blackmore) covered ground that it was not necessary to traverse at this time. In my opinion he took a wrong course. But that could have been remedied had the Prime Minister (Mr. Mackenzie King) been wise enough to take a different line in continuing the debate. He should have realized that the hon. member for Peace River did what he did in good faith, and if he did not do it in the right way, the right hon. gentleman should have taken some other method of drawing it to his attention.

The Prime Minister raised the point that the government was not notified. Now, if the amendment had the effect of a motion of want of confidence, that was no new course. I have before me a striking example of the way in which matters of this kind are sometimes brought up. On February 25, 1935, almost three years ago, the present Minister of National Defence (Mr. Mackenzie) introduced a motion of want of confidence in the government of that time on their unemployment policy. The late Sir George Perley, who was leading the house, in the course of his reply complained that he did not receive notice of the motion until the hon. member had about half finished his speech. Questions of this kind are sometimes introduced in that way. Why try to raise such a partisan atmosphere in the house? Let me say to every hon. member who is interested in the preservation of democracy, as I am sure most if not all of us are, that the display in the house to-day is a blow to democracy and parliamentary government in this dominion.

Mr. MARTIN: Who started it?

Mr. LAWSON: The Prime Minister.

Mr. MacINNIS: We do not need to go into that. Let us bring this to an end now, and, if there is something that must be examined into and investigated, let us find some better way of doing it. I suggest to the hon. member for Peace River that he now withdraw his amendment and let the matter drop, because we have already had too much discussion of it in the present atmosphere.

Mr. SPEAKER: Shall the hon. member have leave to withdraw his amendment?

Mr. PELLETIER: Mr. Speaker, with the permission of the house let me say—

Mr. SPEAKER: I draw the attention of the hon. member to the fact that if he speaks now he will close the debate.

Mr. PELLETIER: It is six o'clock, Mr. Speaker.

Mr. MACKENZIE KING: Go ahead.

Mr. PELLETIER: If the house is still sitting there are three or four things that I should like to mention in connection with the debate that has arisen this afternoon.

Mr. SPEAKER: I think if the hon. member wants to withdraw his motion he has no right to speak further.

Mr. HEAPS: He can close the debate.

Mr. MacINNIS: On a point of order, Mr. Speaker, I think when a member withdraws a motion he is entitled to make some remarks before withdrawing.

Mr. MACKENZIE KING: He can explain his withdrawal.

Mr. DUNNING: In connection with his withdrawal.

Mr. PELLETIER: In connection with the withdrawal of the amendment may I point out that I had no idea that in bringing it in at this time it meant a vote of want of confidence in the government. I did not adopt this procedure with any idea of defeating the government at the present time. If the carrying of this amendment would mean the

defeat of the government I cannot take that course. But if the government is willing to appoint the committee, I am quite willing to withdraw my amendment.

Mr. MACKENZIE KING: Oh no.

Mr. SPEAKER: Does the hon. member withdraw his motion?

Mr. PELLETIER: Withdrawn—

Some hon. MEMBERS: Withdrawn.

Mr. SPEAKER: Withdrawn by leave of the house.

Mr. BENNETT: I want to say something on another matter.

Motion withdrawn.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CIVIL SERVICE ACT

LANGUAGE QUALIFICATION OF PERSONS APPOINTED OR TRANSFERRED

Mr. WILFRID LACROIX (Quebec-Montmorency) moved the second reading of Bill No. 3, to amend the Civil Service Act.

He said: Mr. Speaker, the object of the bill is to provide that no person already belonging to the civil service in a province, and unable to speak French, may be transferred, in either a permanent or a temporary capacity, to the province of Quebec. I know that necessities of administration sometimes compel a minister to appoint to positions in the province of Quebec under his department, officials who, while fully competent in other respects, do not speak the language of the majority of people in that province.

From the moment of their arrival in Quebec, such officials necessarily come in contact with the French speaking public, and their inability to speak the language of the people with whom they have to deal sometimes gives rise to annoyances sufficient to create the impression that Quebec is not treated as it should be, and to bring about in the long run the very thing every hon. member wishes to avoid, namely conflicts detrimental to Canadian unity.

Without attaching any blame to any of the departments concerned, which evidently select for such positions the officials at their disposal, I am confident that by amending the act in the manner indicated in the bill it would be possible to create a staff capable of speaking French with ease and fluency. There would thus be opened to our bilingual young men positions which, so far, they have had difficulty in obtaining.

The officials I have in mind, those who speak only English, passed their civil service examinations in an outside province and, on being transferred to Quebec, were not subjected to any further test. I suggest that in such cases further examinations be held, and that officials appointed to positions in Quebec be required to prove their ability to understand the people of that province, and to be understood by them. Not only is this fair, but it would work out to the advantage of the service.

It is principally the officials of the Department of Agriculture sent to Quebec as inspectors of live stock or farm products who find themselves in contact with a population almost entirely composed of people speaking the French language. May I add that outside the civil service mistakes of that kind are also made. Even in the ancient city of Champlain, which is certainly the most French of all cities in America there is an engineer in charge of all national defence undertakings who cannot speak a word of French.

I acknowledge with pleasure the good will shown by the Minister of National Defence (Mr. Mackenzie) in connection with the employment of French speaking officials; but to every complaint I have made to him he has replied, through his deputy minister, that he had at his disposal no engineer who could speak French.

I am fully convinced that if the act contained a section compelling every official called upon to serve in Quebec to prove, through examination, his knowledge of the French language, this would be a step towards that unity which is so greatly needed to-day. Moreover it would give to those people in my province who possess the required qualifications an opportunity to obtain these positions. One can scarcely conceive of a French Canadian official unable to make himself understood in English being transferred to Toronto or Kingston. His stay in either place would surely be a short one.

I do not wish to make a lengthy speech; still less do I wish to raise the racial cry. I request simply that my province be placed on the same footing as the other provinces. Firmly convinced of the justice of my cause, I am content to rely upon the broad-mindedness of hon. members for the passage of the bill.

(Translation). Mr. Speaker, the object of this bill is to provide that no person already belonging to the civil service in a province and unable to speak French may be transferred, in either a permanent or temporary capacity, to the province of Quebec.

I realize that administrative necessities sometimes compel a minister to appoint to positions in Quebec province coming under his department officials who, though highly competent, do not speak the language of the majority of the people of that province. Such officials, from the moment of their arrival in Quebec, necessarily come into contact with the French-speaking public, and their inability to speak the language of most of the people they have to deal with sometimes creates annoyances sufficient to produce the impression that the province is not treated as it should be and to bring about in the end the very thing that every member of this house desires to avoid, that is conflicts detrimental to Canadian unity.

Without attaching any blame to any of the departments concerned, which evidently select for such positions the officials they have at their disposal, I am convinced that by amending the act in the manner indicated in this bill it would be possible to create a staff able to speak French with ease and fluency. There would thus be opened to our bilingual young men positions which so far they have had difficulty in obtaining.

The officials I have in mind and who can speak only English passed their civil service examinations in some other province and naturally were not subjected to any further test on their transfer to positions in Quebec. They are chiefly officials of the Department of Agriculture sent to Quebec province as inspectors of live stock or of farm products and who, since the majority of the population of the province is French, find themselves in contact with a French-speaking public.

There have also been transferred from other provinces to Quebec, as a result of administrative necessities, inspectors of revenue, of customs and of immigration, who could not speak French at all. I may add that similar errors are committed outside the civil service. For instance, in the ancient city of Champlain, certainly the most French of all the cities of America, the engineer in charge of all the works of the Department of National Defence does not speak a word of French. Nevertheless, I acknowledge with pleasure the good will shown by the Minister of National Defence in regard to the employment of French-speaking officials; but to every complaint that I have made to him on that score he has replied through his deputy minister that he had no official able to speak French at his disposal to replace the engineer in question.

I am quite convinced that if the act compelled every official appointed by the Civil Service Commission to fill a position in Quebec province to prove his knowledge of the French language by an examination, it would be a step towards that unity which is greatly needed at present. Moreover, it would give to those of my province who possess the required qualifications an opportunity of obtaining these positions. It would be difficult to imagine the case of a French-Canadian official unable to make himself understood in English being transferred to Toronto or Kingston His stay there would surely be short.

I simply request, Mr. Speaker, that my province be placed on the same footing as the other provinces. Firmly convinced of the justice of my claims, I rely on the broad-mindedness of the members of the house for the passage of this bill.

The traditions which we cherish so dearly should be understood by those who come into contact with us. The fact of having in the province of Quebec federal officials who can make themselves understood by our people would mean a great step towards a truly Canadian ideal.

One of my colleagues pointed out to the house the other day the veneration in which we should hold the monuments of the ancient city of Champlain. He was right. Just as each one of the stones of old Quebec evokes a page of our history, each one of our traditions has contributed to the greatness of this Canada which we all hold so dear. The soul of Quebec is well expressed in the following immortal lines of Victor Hugo:

> Voulez-vous qu'une tour, voulez-vous qu'une église,
> Soient de ces monuments dont l'âme idéalise
> Tout à la fois la forme et la hauteur,
> Attendez que de mousse elles soient revêtues,
> Et laissez travailler à toutes les statutes
> Le temps, ce grand sculpteur.

It is time that has produced the union of the races in this country. Time has allowed us, with the marvellous control lever which is the French language, to preserve our traditions, to retain our Catholic faith and to grow from 60,000 to 3,000,000. Time has permitted us to play, on the banks of the St. Lawrence, on this North American continent, the rôle of last sentinel of French thought and genius. Time has made possible the realization of the dream symbolized by the monument erected to Wolfe and Montcalm in Quebec.

Let it not be forgotten, Mr. Speaker, that no one has contributed more than the French

Canadian to the union of the two races which make up the population of this country. I am sure that the English-speaking majority of this house, remembering the constant efforts of our people to understand them better, to speak and even master their language, as the right honourable the leader of the opposition (Mr. Bennett) said so eloquently yesterday in paying tribute to the eminent statesman who directs the Ministry of Justice—I am sure that this majority will render justice to the French element by approving the bill of which I have the honour to move the second reading, seconded by the honourable member for Laval-Two Mountains (Mr. Lacombe).

Mr. H. E. BRUNELLE (Champlain): Mr. Speaker, I think I would fail to discharge properly my duties were I not to express approval of the amendment to the Civil Service Act proposed by the hon. member for Quebec Montmorency (Mr. Lacroix). To my mind the amendment is based on justice and common sense. During the first session of this parliament I made the following statement:

A certain discontent seems to exist in the province of Quebec regarding the number of positions held by French speaking Canadians in the federal service.

In support of that statement I gave certain statistics which may be found on page 2720 of Hansard of 1936. Since I made that statement conditions have not materially changed or improved.

What I am about to say I intend to say in a frank and candid manner. My criticism is not against the government; it is against the actual system and possibly indirectly against those who apply the system. Throughout the province of Quebec there is a feeling that federal civil service positions are not awarded in the correct proportion to French and English speaking Canadians. I am quite prepared to admit that considerable misapprehension exists as to the power and jurisdiction of the commission. I shall even go so far as to say that many people, unfortunately too many, still have the impression that members of the House of Commons or ministers of the government have the final say in recommending and designating who, among several candidates for a civil service position, shall have the appointment. This is not the case. I know that the commission has the first and last say in the matter of making appointments. If that is not the fact I should like someone to tell me.

I should like to cite one instance which occurred in Cap de la Madeleine. About two years ago the civil service commission invited applications by bilingual candidates for the position of caretaker for a post office building which had just been erected. That town has a population of about 10,000, and I doubt if one half of one per cent of the people are English speaking. This caretaker would not have to speak English more than once in ten years in the carrying out of his duties, unless he took the notion once in a while to go down in the basement and address himself to the Scotch anthracite coal pile. It took the commission about a year to realize the true situation, and then new applications were invited. This happened six months ago, but as yet the examination has not been held nor has the date been announced. No doubt it will take another six months to close this matter finally. The result is that it has taken over two years to fill the position of caretaker in a post office. There are many candidates for this position and I may say they are all exasperated at the delay.

Many people throughout the country are dissatisfied with the commission. I know many members of the House of Commons are dissatisfied, and I would not be surprised to hear that some ministers are not totally satisfied. This feeling is regrettable, but it has existed for a number of years. The sooner the system is either changed or improved, the better it will be for all concerned. After all, the commission should not be looked upon as being an absolutely permanent and unchangeable fixture. It should not be considered as a bureaucracy.

Reverting to the dissatisfaction and misapprehension that exist in connection with the work of this commission, I want to say most emphatically that the one factor which has contributed the most to creating this dissatisfaction and misapprehension is the appointment by the commission of persons to certain positions who can hardly speak the language of those with whom they would come in daily contact in the fulfilment of their official duties. That such a state of affairs has existed in the province of Quebec is not to be doubted. These things will happen again unless the law is changed, as suggested by the hon. member for Quebec Montmorency, and it will be to the detriment of those good relations which should exist between French and English populations in this country. I name no one. I have no personal animosity against those who are holding positions in the civil service which they are not fit to hold. My sole and sincere desire is to do away with such unwise, unfit, and I will say, unfair nominations.

The present amendment will serve the purpose in view. Candidates who seek a bilingual position ought to submit to a bilingual exam-

ination, and moreover, the bilingual test should be one of the most important items of the examination. I repeat that one who cannot speak the language of those with whom he is bound to act naturally cannot understand their mentality or customs, and he cannot but be a failure and a cause of friction. I venture to say that if there is dissatisfaction and suspicion in the province of Quebec in regard to the civil service commission, it is due to the fact that some people have been appointed to positions who could not satisfactorily fill them because they could not speak the language or understand the mentality of the people with whom they had to deal.

Some may suggest this grudge seems to exist only in Quebec. It may possibly be so, but to those who find it strange or singular that the grudge or dissatisfaction should be limited to that province I would say that they are not acquainted with the facts or aware of what is taking place in Quebec. Those people who so wonder would appreciate the circumstances better if the situation were reversed. Suppose a man from the province of Quebec who could hardly speak English, and knew little about the mentality or customs of the English speaking people of this country, were appointed to a civil service position where he had to deal with people in the city of Toronto, for example, or Calgary or some other English speaking city. I wonder what the people there would say of such an appointment. I am sure they would have reason to be dissatisfied and to have a grudge against the system that permitted such appointments. How long would they stand for it? I do not say that the people of Toronto are not as fair-minded as the people of any other city, and I am sure they would not stand very long for a man holding a civil service position who could not speak the language which is generally spoken in that city.

In the province of Quebec, not all the people—for I do not want to exaggerate—but some people, too many people, in fact, feel that they have generously, and with resignation and self-denial for the sake of peace and harmony, stood for such appointments until their patience is exhausted. This is not a threat; it is rather a warning and a statement of facts. It is a statement of a most unfortunate reality. The proposed amendment to the Civil Service Act will remedy this grievance, and I therefore most heartily support it because I think it will remove one of the causes of unrest in my province.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, with the object which this bill endeavours to accomplish there is not a member of this chamber, I think, not wholly in accord. It is reasonably clear that public officials who transact business with the public should be in a position to communicate with a majority of those whom they serve, or with the minority as well. Hence it is that the civil service commission has provided for bilingual appointments. If the matter has worked out unsatisfactorily, I think we all would regret it, but I believe that the method taken by this measure is not sound. It is the method to which one objects, and not to the principle, and inasmuch as the principle of the measure is the only matter under consideration on the second reading I suggest to the government that this is a proper measure to be submitted to the special committee on the civil service, if such a committee is to be appointed.

I remember distinctly some of the difficulties which the hon. member for Quebec-Montmorency (Mr. Lacroix) has mentioned, and it was the aim generally of ministers to provide that candidates for civil service positions in Quebec should have a bilingual knowledge, and in some of the other provinces the advertisements calling for applications distinctly said: "A knowledge of French is essential." That has been the course followed heretofore in this country. If in the working of it out it has not been found entirely satisfactory, this measure would have the effect of limiting rather than expanding the opportunities of those who reside in the province of Quebec for civil service appointments. I think it would restrict, and not enlarge, their opportunities, and for that reason I suggest, the purpose intended being highly commendable, that the measure itself should be referred to a special or standing committee, if there is one that can deal with the matter, in order that it may be determined whether or not the end can be attained without the restrictive provisions of this legislation. This amendment would be very far-reaching, and in my judgment would have a contrary effect to that intended by both hon. gentlemen who have spoken in favour of it. All that would be required, in my judgment, would be that the community to be served is such that the appointment necessitates a knowledge of both languages; for, as one hon. gentleman has said, even though the minority is small, it has a right to be communicated with in the language it understands, and particularly where the large majority of the population is communicated with in only one language, to appoint a person who understands that lan-

guage imperfectly would be wrong and entirely opposed to the principle underlying the Civil Service Act.

I am far from endeavouring to discuss the details of the amendment, which, I think the Minister of Justice (Mr. Lapointe) will at once see, will have the effect of restricting rather than enlarging the opportunities, because they would segregate each province as such, instead of carrying out what has been so long in the minds both of parliament and of the commission, that those who serve communities in which both the English and French languages are used should have knowledge of both these languages to enable them properly and adequately to discharge their duties. There have been many difficulties; I know of them; but I can say I do not believe that at any time there has been a deliberate effort on the part of either the civil service commission on the one hand or ministers on the other to prevent, either directly or indirectly, those who are appointed to the public service from communicating with the community they serve in the language of the majority of that community. If it were so, the sooner it is stopped the better, because it is desirable that the men who occupy these positions should be able to communicate with those who are affected by the service rendered, in either the French or English language, they being the two languages which are officially recognized in this country.

I make these observations from some knowledge and experience with respect to the matter, and with the earnest desire to see the principle for which the hon. gentlemen are contending given effect to, but not, in my judgment, by the legislation now before the house, which in detail, I repeat—and I think the Minister of Justice will, upon examination, agree—effects a restrictive principle, rather than enlarges the opportunities for those who will be served. If it were referred to a committee, the Civil Service Commission, I feel satisfied, would be able to arrive at a solution that would meet the difficulties to which the hon. gentleman has referred and which, in my judgment, should be remedied at the earliest possible date.

Hon. FERNAND RINFRET (Secretary of State): I desire to say only a few words on this bill, as evidently, from the remarks made by the leader of the opposition (Mr. Bennett), and my own, it will be found that both sides of the house are practically in agreement on the principle involved. I wish to congratulate the hon. member for Quebec-Montmorency (Mr. Lacroix) upon the very able way in which he has presented this bill; I would also express my congratulations to the leader of the opposition for the short but illuminative remarks that he has made about the bill.

This question has arisen in the past in many ways, both inside and outside the house, and I might say that there has been an effort to find a solution to the problem, although in practice it evidently has not reached its full expression. May I point out in the first place that already there is in the Civil Service Act a section which to a certain degree touches on this point. Section 32 of the act provides that:

> Every examination under this act shall be held in the English or French language, at the option of the candidate; and notice of every examination shall be published in the English and French languages in the Canada Gazette, and such notice shall state the number of positions that it is expected will be open for appointments, the positions that are then vacant, and in each case the qualifications required for such positions.

It has been the practice in a number of cases in advertising positions to state whether the two languages are required, or whether only one of the languages is necessary. As regards transfers, section 21, subsection 3 of the act provides:

> Except as to appointments to positions in the headquarters of the several departments and other portions of the civil service at Ottawa, the appointments to any local positions in any province shall, so far as practicable, be made from persons having resided in such localities for a period of at least one year immediately preceding the date last fixed for receiving applications for such local positions.

And in the civil service regulations, section 54 further provides:

> In recommending a transfer in which a change of residence is involved, the deputy head of the department in which the vacancy exists must certify that the position in question cannot be filled efficiently by local promotion, or must advance sufficient reasons for his recommendation to satisfy the commission that in this particular instance it is in the best interests of the public service that transfer should supersede promotion.

It will be seen from these quotations that in the Civil Service Act and in the regulations of the commission some attention has already been given to the language question and also reservations have been made to make as much as possible the transfer from one province into another exceptional cases. I might quote also, but it would delay the discussion, passages from the annual report of the civil service commission, 1934, where this commission deals with this matter and points out certain of the things that I myself have indicated this evening. But apparently these

precautions have not been sufficient, and the number of cases alluded to by both members who spoke before the leader of the opposition indicate that we have still to contend with conditions whereby it is possible in certain instances to have federal officials deal with a portion of the population whose language they do not speak. I think we all agree that this is undesirable. To that extent, I believe, the house should be unanimous in accepting the principle involved in this bill.

But I have some sympathy with the remarks made by the leader of the opposition as to the exact wording of the sections proposed as amendments. In the first place, I think that although the language question should be primary, it is desirable that the amendments should not be made stringent to a point where they might prevent either the commission or whoever is in charge of the appointment from giving consideration to other qualifications which may be required in exceptional appointments where a scientist or other technical man or a person of special experience may be needed. In the second place I am not sure that by making the province the territorial limit within which this bill is supposed to act, there is not a danger that in certain instances we may arrive at the opposite goal to the one we wish to attain. If this bill were adopted in its present form there is a danger that a strict interpretation of it might, for example, prevent the appointment of a French clerk in certain territorial portions of other provinces where there is a French minority.

Mr. BENNETT: That is the restrictive feature of it to which I referred.

Mr. RINFRET: I must say, though, that as a rule the French people speak both languages and I think the average Frenchman could qualify even under such conditions, but I would not at all wish this bill to appear to have a racial flavour about it. The principle involved in the bill, as I understand it, is just as well intended to preserve the rights of one portion of the population as the other, and to ensure in both cases that any federal employee, whether he is French or English, is in a position to converse in the language of the people with whom he is associated.

I might say that it is the intention of the government to move very soon for a special select committee on civil service matters, and I appreciate the proposal of the leader of the opposition. It was also the intention of the government to suggest that this bill should be referred to such a committee. I believe, though, if we are all agreed on the principle of the bill, that this bill should pass its second reading, be approved by the house, and then stand on the order paper until such time as we may be able to move for its consideration by that special committee.

Mr. LAWSON: Will the minister be good enough to tell me whether there is any definition in the present Civil Service Act, which this bill proposes to amend, of the word "local" or the words "local position," which are constantly used in the section as amended in the bill?

Mr. RINFRET: The hon. gentleman appreciates the fact that this is not my bill. I agree with the suggestion that it should not be drafted exactly in the language in which it appears, but we are all agreed upon the principle and I think the bill should be given its second reading.

Motion agreed to and bill read the second time.

CRIMINAL CODE

PROVISION AGAINST REFUSAL TO EMPLOY OR DISMISSAL FOR MEMBERSHIP IN TRADE UNIONS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the second reading of Bill No. 4, to amend the criminal code.

He said: As I intimated when I introduced this bill, its purpose is:

—to prevent employers from refusing to employ, or from dismissing employees, or conspiring with others therefor, for the reason that they are members of a trade union.

As it is lawful for workmen or employees to form themselves into trade unions and to bargain collectively, it should, as a matter of public policy, be unlawful for employers to seek by overt acts or intimidation, threats or conspiracy to prevent them from belonging to such trade unions.

The right of labour to organize is recognized by the treaty of peace. I quote:

The right of association for all lawful purposes by the employed as well as by the employers.

Section 497 of the criminal code distinctly exempts trade unions from the class of unlawful organizations: notwithstanding that, it is extremely difficult in practice for trade unions to carry forward their organization work. As an example of the arrogant attitude of employers I might quote what was said by some of them during the investigation by the textile commission. The president of one company said:

The men can belong to any union if they like. We do not ask a man if he belongs to a union or what his religion may be, but the board of directors refuse to recognize the union, any union.

The president of another company said:

I never had to deal with a union here before, never heard of such a thing, and I am not going to be led by a lot of such folk as if I might just have a rope around my neck and be led like a lamb to the slaughter.

Another manager said:

We have no objection whatever to our employees joining any kind of organization they feel so disposed to. I don't think we would be prepared to consider dealing with any organization. Because we would very much prefer to deal with them as individuals. Because there are always people who get in control of these things, or it seems to be the case, who have very radical ideas, imaginary ills or problems.

And yet another:

The company will not permit any third party to interfere between the management and the employees or to take away from the employees their rights as individuals to deal with the company.

I wish to give one honourable exception. The president of one particular company made this statement:

We as manufacturers . . . we have got the right to organize ourselves. Isn't it right that labour should have the same right?

That is all that I ask for in this measure.

Mr. LAPOINTE (Quebec East): You ask that what you refer to should be made a crime.

Mr. WOODSWORTH: Yes; I ask that the criminal code be amended in this respect. The Minister of Justice suggests that this is not by nature a crime. As he is aware, I am not a lawyer, but as a layman I have been reading some sections of the criminal code. I find, for example, that breach of trust by a public officer is a crime punishable by five years' imprisonment. I find that obstructing an officiating clergyman is a crime, for which one is liable to be sentenced to two years in prison. It is enacted that the head of a family shall provide the necessaries for any child under sixteen and for his wife; if he fails to do so he is guilty of a crime and is liable to a fine of $500 or one year's imprisonment or both. I find that the issuing of a false prospectus, statement or account by directors or officers is a crime. I find that even cheating in playing at any game or in holding the stakes or in betting on any event is a crime, and renders one liable to three years' imprisonment. I find that sending false telegrams is a crime, the punishment being two years' imprisonment.

I would read section 501:

Every one is guilty of an offence punishable, at the option of the accused, on indictment or on summary conviction before two justices and liable on conviction to a fine not exceeding one hundred dollars, or to three months' imprisonment with or without hard labour, who, wrongfully and without lawful authority, with a view to compel any other person to abstain from doing anything which he has a lawful right to do, or to do anything from which he has a lawful right to abstain, . . .

My amendment is very much along the line indicated in the foregoing section. Or let us take section 502:

Every one is guilty of an indictable offence and liable to two years' imprisonment who, in pursuance of any unlawful combination or conspiracy to raise the rate of wages . . . uses any violence or threat of violence to any person, with intent to hinder him from working or being employed at such trade, business or manufacture.

In other words, certain things which employees may do become crimes, and I suggest that if we have a provision against such actions we should also have in the criminal code a provision enabling employees to organize in order to carry on their activities.

The Trades and Labour Congress has time and again presented the case of labour to the dominion government and to the various provincial assemblies. I quote from a recent document:

While the provisions of the criminal code relating to conspiracies in restraint of trade are not, in virtue of express exemptions, applicable to trade unions or to combinations of workmen or employees for their own reasonable protection, the right of employees to organize, or to join, trade unions is not secured or protected by any positive law on the subject; and under the decisions of the courts in one province, namely, Ontario, trade unions, in so far as their objects may be in restraint of trade, have been held to be unlawful associations.

As representing organized workers, we receive numerous complaints from wage earners who are threatened with dismissal if they dare to join a union of their own choice and as trade unionism is necessary to set up Canadian living standards in our industries, we submit that it is strongly to be condemned that employers should continue to have it in their power to prevent their workers from joining a union and we desire to solicit your assistance in removing such authority over their workers from all employers, although only a minority of them endeavour to impose such restrictions.

Now the Trades and Labour Congress of Canada has been attempting to have suitable legislation passed by the various provincial legislatures. I shall not go into that matter. But it seems to be necessary that provincial legislation should be supplemented by federal legislation.

With regard to the constitutional aspects of the case I should like to quote from the submission made by the Trades and Labour Congress of Canada to the royal commission on dominion-provincial relations, in January of this year. Referring to the jurisdictional question the submission states:

We base this statement on two important principles laid down by the privy council itself in dealing with our constitution. The first of these principles was given in a decision of 1896

(the Distillers' and Brewers' case) when their lordships stated that they did not doubt "that some matters, in their origin local and provincial, might attain such dimensions as to affect the body politic of the dominion and to justify the Canadian parliament in passing laws for their regulation or abolition in the interests of the dominion." Obviously this means that a matter of civil rights or of a local or private nature in its origin should cease to be reserved exclusively to the provinces when it becomes of such prominence as to attain national significance.

The second principle, contained in the decision on the Radio case (1932) may be taken either as an extension of the first, or as parallel to it. Lord Dunedin in giving judgment had established that the point at isue was given by the act neither to the dominion nor to the provinces. As a residual power, and as a matter esentially national, jurisdiction was declared to rest with the federal authority.

One other paragraph from this document:

Thus, it seems to the Trades and Labour Congress that the intention in the mind of the original promoters of the British North America Act and the needs of to-day in regard to the constitution are in agreement, namely, that the central government should be able to exercise those functions one would expect to find a central government possessing, that is to say, jurisdiction in questions of common import throughout the nation in matters where uniformity is highly desirable, in matters where the size of the problem exceeds provincial competence, as well as in matters more readily recognized as interprovincial in scope.

One other quotation touching the constitutional aspect, also from a memorandum of the Trades and Labour Congress:

On the rights of wage earners to organize for their mutual protection, and on the right of union workers to bargain collectively, we would like to say a special word. We realize that jurisdiction in these matters rests with the provinces at present, rather than with parliament, and in the past year we have approached the several legislatures, seeking protective legislation, with success in some cases. We firmly believe, however, that the dominion parliament also should recognize the rights of the workers to freedom of association and collective bargaining in as far as its jurisdiction extends—

Mr. LAPOINTE (Quebec East): Hear, hear.

Mr. WOODSWORTH (Reading):

—by providing suitable penalties for proven cases of interference with these rights. It is a fact that the workers are not interfered with by the law in their desire to organize, but experience has shown that that is not enough. So long as any employer may apply economic pressure to prevent organization among his employees, it is impossible for his workers to enjoy their full civil privileges. If our recommendations for amendment to the British North America Act were carried out, parliament would have full jurisdiction to legislate on this matter in pursuance of the recommendation of the International Labour Organization, but as suggested, even under existing conditions, we strongly urge the government to ask parliament to take such action as it can to assert the principle of the right of the workers to organize.

Again I would say that is what I am trying to accomplish by this bill. Look at the situation from the practical standpoint. The old individual bargaining is a thing of the past. We see an example of the old-fashioned type of personal relations in the shoemaker sitting on one side of the bench and his man on the other. They are almost equal in bargaining power. But to-day behind the foreman or superintendent stands the manager; behind the manager a board of directors, and behind the directors millions of money, and very often also an employers' association. What chance has the single employee in bargaining with a great aggregation of that kind? He is simply in a hopeless position. So that if he is to have anything like real civil rights with regard to his daily work he must be given the right to organize. The employer should not be permitted to intimidate him, or dismiss him for the sole reason that he has seen fit to join a union. One has only to go out into industry to realize how necessary legislation of this sort is. Several years ago I described to the house what I had observed in some company towns that exist in some of the more remote parts of Canada, little isolated communities where a great plant dominates the situation, where the company not only owns the factory or plant but owns the houses, owns the streets in some cases, owns all the utilities of every kind. An individual employee is absolutely helpless in such cases. It is going a short distance indeed to ask that the government should step in to protect an employee under such conditions. This bill provides for the employee only what employers are now enjoying.

Had I time I could read lengthy extracts from resolutions which have been passed in favour of this bill by various labour organizations across the country. Further than that I can show that not merely in industrial unions but even in some professional associations that are being organized to-day, the employees of big concerns, as for example newspapers, are discriminated against for no other reason than that they belong to a union and through that union seek to promote the interests of themselves and their fellows. I urge, Mr. Speaker, that the government would be merely carrying out principles of fundamental justice in preventing this intimidation on the part of great corporations.

SUPPLY

PRINCE EDWARD ISLAND NATIONAL PARK—STATEMENT OF MR. BENNETT ON MOTION OF PRIME MINISTER

The house resumed consideration of the motion of Mr. Mackenzie King for committee of supply.

Right Hon. R. B. BENNETT (Leader of the Opposition): One of the opportunities afforded to bring grievances to the attention of parliament is when a motion is made that the house resolve itself into committee of supply. Fortunately in the case to which I am about to direct attention there is no amendment involved, and I trust that no censure can be read into my remarks. It is rather an exposition of facts which I shall make, with the hope that the Minister of Mines and Resources (Mr. Crerar) will take steps to remedy what is in fact a great grievance on the part of many people residing in the small province of Prince Edward Island.

In the year 1936 it will be remembered that parliament enacted chapter 43 of our statutes which provided for the establishment of a national park in Prince Edward Island. Section 5 of that act provides that the area for the park shall be provided by the province free from all claims of any kind. That statute became law on June 23, 1936.

Prince Edward Island has a legislature in which there are no opposition members. They are all supporters of the government. On April 18, 1936, the legislature passed chapter 17 of the statutes for that year, the relevant section of which reads:

1. For the purpose of selecting a site for a national park area or areas in the province, the provincial secretary and any other person or persons authorized by him or by the executive council may enter upon any land or premises alleged to be suitable for such site and may make an inspection and survey of the same.

2. If any lands within the province are deemed to be suitable for a national park, the lieutenant governor in council may make an order vesting such lands, together with all buildings, appurtenances, easements, streams, and water courses thereto belonging or adjacent in His Majesty the King in the right of the province of Prince Edward Island absolutely.

Then follows a provision with respect to the expropriation order. Naturally some provision is to be expected dealing with the question of the compensation to be paid. We find that section 5 reads:

If, within a reasonable time from the making of the order in council, a satisfactory agreement has not been reached with regard to the amount and apportionment of the compensation to be paid by the government of the province by way of compensation for the lands and premises thereby expropriated, the lieutenant governor in council may make a further order fixing the amount of such compensation, and the provincial treasurer may thereupon pay the amount so fixed into the Court of Chancery, to be apportioned and paid out upon the application of any of the parties entitled thereto. Such payment into court shall fully discharge the claim of all persons whatsoever for compensation in respect to the expropriation of such lands.

Then follows section 6:

The lieutenant governor in council may take such further steps as are necessary to vest the lands so expropriated in His Majesty in the right of Canada or in any such department, officer or trustee on behalf of the government of Canada as may be proper for the establishment of a national park on such site.

It therefore is apparent that this legislation was predicated upon a statute passed by this parliament, by which we undertook certain obligations with respect to a national park in Prince Edward Island, or an area in Prince Edward Island to be acquired by that province.

The province, instead of expropriating the lands, as would be done in the case of a railway company, or by the crown, merely passed a statute vesting the lands indicated by the surveyor in the crown in the right of the province. That, in itself, meant that men and women who had inhabited and occupied lands for generations, the ancestors of some going back to the eighteenth century, found that their lands were vested in the crown in the right of the province of Prince Edward Island. The province undertook that upon the acquisition of the lands they were to be vested in the crown in the right of the dominion, as a national park.

Now we come to the next important question, that of compensation. These old farms, old homes with traditions and sentiment attaching to them, were vested in the crown in the right of the province of Prince Edward Island, for purposes of a national park. In the case of a railway exercising the right of eminent domain, or in the case of the crown exercising the right of eminent domain, there is provision either for arbitration or for the hearing of the claim before a district or county court judge.

But, behold what was done in this case—and if you want an illustration of what happens in a province where there is no opposition in the legislature, give your attention to what happened here. The province, in the right of this government, took the right to declare what compensation should be given to those owners. I hold under my hand the notice which was given in one case, that of a woman who had constructed a number of cabins on the shore. She rented those cabins

to tourists, making a profit of about $2,000 a year. This is the letter which was directed to her on August 10, last:

> I am directed to advise you that the executive council has authorized settlement for the lands formerly owned by you and expropriated for the purpose of a national park, in the full amount of $1,935.
>
> A search of the title to the lands is now being made and payment will be made at this office when satisfactory evidence of title is filed and arrangements are made to remove any buildings that may now be on the land.
>
> Yours truly,
> P. S. Fielding,
> Deputy Provincial Treasurer.

I venture to say that it is not within the knowledge of any member of the house of a case where the vendor of land was to have the price he was to receive, when it was taken from him by compulsion, set by the purchaser. But that is what happened here.

Without the right of court action, without the right of being heard before an independent tribunal, and without the right of arbitration or judicial determination, the owners of these old homes have had them taken from them by a vesting order in the form of a statute passed by the legislature of Prince Edward Island. The price they are to receive as compensation for their lands and buildings is to be fixed by the same government which took them from them. If no settlement can be arrived at, the authorities simply write a letter in which they say, "You are to get so much money."

I say that when we are the beneficiaries; when we have invited this action to be taken; when prior to this we enacted a statute which said that we would provide a national park when we got the site, and when as a result of that the legislature took the step, in the manner I have indicated, to provide that site, it is not right or in consonance with our idea of British justice that these people should have their lands or homes taken from them, or that they should be dispossessed so that a national park might be operated by the Dominion of Canada. It is not right to have the price fixed by the government which took the property from them.

In other words, the person or persons—this being a government—in whom the property is vested by legislative act can fix the price to be paid to the man or woman deprived of his property. Is that not a real grievance? Is that not a wrong which we should not tolerate, when we are to become the owners of the property? This is not a matter of politics, because many of these men and women are, of course, of necessity supporters of the present federal government. I do not suggest they are all supporters of this government, and the government in Prince Edward Island. One of the ministers in the federal government, the Minister of Finance (Mr. Dunning) sits as a representative of that province. It is quite obvious that this matter should receive the consideration of the house.

They have asked that the grievance be presented at the earliest possible moment. A petition was sent to the Minister of Mines and Resources reciting all these facts and he, very properly, says that this is not a matter over which at this time he has that control which would enable him to act. The government, however, has the power to communicate with the government of Prince Edward Island, just as in times past successive ministers of justice have communicated with the provinces for purposes of amendments being made to legislation, so that they might be made intra vires where formerly they had been ultra vires.

I believe that we have here a grave abuse of power; I think I am using a term which is not too strong. This is an abuse of power. The court of last resort in England, has settled the principle upon which damages should be assessed, where property was taken by compulsion. That was a case against the old Canadian Northern Railway Company where the proceedings went to the privy council and the principles which governed were laid down. Those principles have not been observed in this case for here the compensation to be paid is settled by the party that compulsorily took the lands from the owners!

It seems to me that these people are entitled to the application of the law of their country. Does the minister not agree that it is high-handed in this twentieth century that men and women should have their property taken from them by compulsion and then have the principles that apply in the settlement of the compensation they are to receive made no longer applicable to their case? Should a government of the day that takes the property be permitted merely to say, "We will give you so much money?"

One man went there to establish a particular agricultural industry, the growing of a certain kind of plant in a particular soil. He was compelled to leave; his case has been settled and he has left the country. Of course, that was inevitable. There is an-

other instance in which land was expropriated and the individual said that he would not take the price offered. The authorities then said, "Oh, well, we do not need it now." There is a decision that once the power of expropriation has been exercised, after you have had the property for months, you cannot suddenly, because a man will not take what you offer him, say, "Well, we do not want the land now."

Acting under instructions from the owners, men proceeded to tear down some of the buildings and to treat the property as property belonging to the crown in the right of the province. The transfer to the crown in the right of the dominion as such of course has not been registered, but the actual transaction has been completed as the officials of the national parks branch are on the property and exercising jurisdiction over it. They have warned these unfortunate people that they must leave and that cabins can no longer be permitted. This farmer and his wife have operated these cabins as a means of livelihood. As I said, their business brought in a net of $2,000 a year and they have been offered $1,960 for their property.

I am drawing this matter to the attention of the minister at this time rather than waiting until his estimates are before the house as I think it is a matter which he and his colleague the Minister of Justice should direct to the attention of the government of Prince Edward Island. The authorities there should be asked to modify their legislation, as has been done frequently, for the purpose of enabling justice and right to be done. It is true that the first act was passed in 1936 and the year within which it could be disallowed has passed; but the amending statute, which gives force and validity to the statute of 1936, was not assented to until April 9 of last year and therefore will stand for disallowance for many months yet. This is chapter 24 of the statutes of 1937, and I refer particularly to section 3, which reads:

> This act shall be construed as being retroactive to the time of passing the act hereby amended, and as having the same force and effect as if the provisions hereof had been incorporated in the original act.

If the Minister of Justice deals with that statute within twelve months of the date of its receipt, there will be ample time in which to bring about such amendment as will enable those who have been prejudiced to bring their cases either to the courts or to a board of arbitration in order that they may receive compensation to which they are justly entitled. I think that is a fair suggestion to make to the minister under the circumstances.

I hope we are not to undertake the management of a national park which has been brought into being by depriving citizens of their rights under the law, and by taking from them by an arbitrary act of the legislature any right to have a court or a board of arbitration determine the amount of compensation they should receive for the injuries they have suffered through the compulsory taking of their property. I submit that is not an unfair proposal to make, and I make it to the minister before his estimates are brought down in order that the matter may be brought to the attention of the Prince Edward Island government.

I realize, of course, that the minister may say that he is here simply to operate a national park when the site is given to the government and is not concerned about the method by which the site is acquired. There has been a deprivation of the right which every British citizen is supposed to have of recourse to some tribunal for the purpose of settling the amount he is entitled to receive from the person who takes his property. The person who takes his property should not be permitted to say arbitrarily, "I will give you $1,900 for what I have taken. Willy-nilly you must take it, and that is all you get. You have no right of recourse, either to the courts or anywhere else."

The existence of such a condition I believe calls for the exercise of a power which in days gone by has frequently been exercised by ministers of justice who have brought the attention of provincial authorities to certain situations and asked that they be amended. Within the year that must elapse from the date of the receipt of the 1937 statute there will be ample time for the minister to bring this situation to the attention of the government of Prince Edward Island. Their legislature has not met this year and there would be an opportunity to remedy one of the gravest injustices which has ever been perpetuated against the people of any province.

Mr. LAPOINTE (Quebec East): Does my right hon. friend know the date of that enactment?

Mr. BENNETT: I mentioned just now that the operative part was made retroactive. The second act was assented to on April 9, 1937, and I do not suppose it would get to the Secretary of State (Mr. Rinfret) until some time in May. Therefore, there would be ample time to deal with this matter. That is why I took advantage of the first opportunity to bring it to the attention of the government.

I assure you, Mr. Speaker, and other members of the house, that I would not have done so had it not been for the urgent necessity of doing it promptly.

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, it is a matter of some regret to me that my right hon. friend (Mr. Bennett) did not give me any intimation that he proposed to bring this matter before the house.

Mr. BENNETT: I did not think it was a matter that required any notice.

Mr. CRERAR: Consequently I am not as well acquainted with the facts to which he has alluded as I otherwise might have been. It is quite true that a park was established in Prince Edward Island. I think my right hon. friend knows that under the parks act the province has to supply free of charge the site to be set aside for the park and convey title to it to the government of Canada. The federal government has nothing to do with the manner in which the provincial government acquires the area for the park, other than to see that it is suitable for park purposes.

I recall one communication I received subsequently to the designation of this area as a park by the provincial government. This was from a gentleman in New York who has a summer cottage within the present park boundaries. He requested that he be permitted to occupy the cottage each summer as long as he wished to do so. I replied that that was a matter of arrangement between himself and the provincial government. If he passes title of his land so that it could come in the ordinary course to the federal government, I informed him there would be no objection on the part of the parks authorities to permitting him to enjoy his summer holidays in the cottage he has been accustomed to as long as he wishes to do so.

I am doubtful of the wisdom of the suggestion made by my right hon. friend. It really amounts to this, that in a matter which is purely the concern of the Prince Edward Island government, we should say to them before we proceed with the further development of this park: You must do thus and so with the people from whom you have secured the property. I know of no instance, Mr. Speaker, where such a power has been exercised by the federal government at any time or any place, and as a matter of fact it is non-existent. It is quite true that the Minister of Justice (Mr. Lapointe) after reviewing the legislation passed by the provincial government, might have recommended disallowing that legislation, but this is not a matter calling for such action. I believe there have been some differences of opinion between the provincial government and some of the people from whom it secured part at any rate of this area, and if my recollection is correct I think we may have some legislation this session to make some rectifications in the boundaries of the park as designated in the act alluded to by my right hon. friend.

I do not know that there is very much more I can say about the matter. I shall, of course, take my right hon. friend's suggestion under consideration, as I am always happy to do in matters affecting my department. But when my right hon. friend suggests that the federal government should draw formally to the attention of the Prince Edward Island government that they have done wrong, and that they should correct that wrong before we proceed further in the development of this park, I cannot follow him that far. I have no doubt, however, that his admirable speech this evening will be reported in the Prince Edward Island papers, and I venture to hope that if any injustice has been done, the Prince Edward Island government will take notice of the criticism of my right hon. friend, and will set about to correct any such injustice.

Mr. BENNETT: May I just explain to the minister that I do not propose to move a motion, and I did not even think it was necessary that he should answer what I said. I was merely bringing the matter to the attention of the government. If for a moment I had thought it would involve any action at the moment I would certainly have given my hon. friend notice because otherwise it might be thought I was discourteous. As I say, I merely desired to bring it to the attention of the government and had not even contemplated the minister stating what he has stated to-night.

Mr. W. A. WALSH (Mount Royal): Mr. Speaker, I was urged during the course of the summer to bring this matter to the attention of the house to see if some redress could not be provided in the unfortunate situation that has arisen in Prince Edward Island, in a province that is a national park in itself without the setting aside of any specified area for national park purposes. Injustice has been done in certain instances, and if the minister had journeyed to that province himself and had personal knowledge of what has been done through the instrumentality of the act which has been referred to in the house to-night, I am sure that he would have been vitally interested in the human side of the picture which could be presented.

Here are people settled on a certain piece of land. I know of one family, in particular,

who to the third generation have occupied a small piece of land. The man is earning a living for himself, his wife, and small family partly from the land and partly through fishing nearby during the season. He has been dispossessed of his land and given inadequate compensation. He has been forced to go to another part of the island far removed from where he has been in the habit of carrying on his occupation of fishing.

I know of another instance, a hotel in which some people of Charlottetown have invested a certain amount of capital. The success of the hotel is largely dependent upon a nine hole golf course that surrounds it. Unfortunately this national park takes away a very large portion of that golf course, leaving the hotel stranded, without the golf course to attract summer visitors.

I could cite many other instances of people having been dispossessed without the opportunity of presenting their case to a reasonable tribunal. They have just been told: Your land has been taken from you, you are allowed so much, you have no recourse in the way of presenting your claim before a higher tribunal. That is manifestly unfair; the people who have been done this injustice should have redress, and it can come to them only through the influence of this federal government.

I know that the Minister of Finance (Mr. Dunning) is just as well aware as I am of the instances I have cited and of the hardship that has been inflicted on certain people on the island. Other hon. members from the island province are just as well aware of these facts, and I have no doubt that as they study the effect of the act which was passed by the legislature of Prince Edward Island they will agree with me that the human side of the situation has not received adequate attention from the powers that be. I would urge upon the minister in charge of the matter, and also on the Minister of Justice (Mr. Lapointe), to give some consideration to the human side of the problem which has developed as a result of that legislation. It is that side in which I am peculiarly interested, and I feel that the people affected are looking to the federal government, not to disallow the legislation, but to direct the attention of the provincial government to the effect that their legislation is having in conjunction with the legislation passed by this parliament.

I have heard the Prime Minister (Mr. Mackenzie King) commit himself in public addresses to the suggestion that it is very easy for a Liberal government in the provincial field to cooperate with a Liberal government in the federal field. This is a splendid opportunity to show that what he said on numerous occasions is exactly what he meant, and that it can be done. I should like to see this practical example of cooperation tried between a provincial government and the federal government, both of the same political stripe, and then I feel sure that the members from the island province will go home highly pleased with the work of this session if only these few people who have been harshly treated are more adequately and justly dealt with at the hands of the government, by the Minister of Justice or the Minister of Finance (Mr. Dunning), who is peculiarly interested in that province.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, listening to the last speaker (Mr. Walsh), there came to my mind what a hullabaloo would be raised in the house if, in connection with a matter wholly within the jurisdiction of the legislature of the great province of Ontario, for example, or the great province of Quebec, hon. members undertook to attempt to direct the provincial legislature how it should legislate in a matter wholly within its jurisdiction.

Mr. BENNETT: We are doing so now. There are the padlock laws.

Mr. ROWE (Dufferin-Simcoe): They are trying to direct you.

Mr. DUNNING: The statement of the hon. member for Mount Royal (Mr. Walsh) was in error in at least one particular. Take, for instance, the golf course illustration which he used. That golf course is not a part of the national park. True, it was originally intended to take it in, but the very facts which he recited caused a reconsideration of the matter and the golf course does belong to the hotel property.

Mr. WALSH: I know. I signed a petition to that end, myself.

Mr. DUNNING: I happen to know of that particular instance. I should not like the impression to go abroad that by any means all of the people affected by the proceedings which have been alluded to are either dissatisfied or consider themselves injured. That is not the case. I am not aware of the precise number who regard themselves as aggrieved, and because of the fact that the subject matter is wholly within the competence of the provincial legislature I have not deemed it my business to attempt to direct how they should legislate regarding a matter wholly within their own competence. But I do think that, as a member from the province, I should as far as I can try to prevent the impression from going abroad that a large number of people have been injuriously treated by the legislature

of their province. It is true that this matter is one of active controversy in Prince Edward Island. One has only to read the press of that province to know that certainly there are two opinions with regard to it. There is a very, very strong opinion that the people whose lands have been taken have been generously treated. I know that opinion is held by a great many people on the island. As one of the members, when I was down there last summer I think I heard both sides of the question discussed, and in my opinion we in this house would be well advised not to attempt to interfere in a matter which is between the people of Prince Edward Island and their legislature and government.

Hon. H. A. STEWART (Leeds): It seems to me that a fundamental principle is involved in the question which has been raised here, and that is the right of the purchaser to determine the price which shall be paid for property that is taken, purchased or expropriated. The Minister of Finance (Mr. Dunning) has just put the case as though this whole matter began and ended as between the government of Prince Edward Island on the one hand and the owners on the other. It is not quite that; it is rather a three-sided proposition, a proposition in which the government of the dominion also come in, and if they find in the transaction anything that is fundamentally wrong or contrary to the principles of justice, they should not put their seal of approval upon it.

It seems to me that the minister, and also the Minister of Justice (Mr. Lapointe), will agree that where there is a difference between the parties, when the dominion or a province is taking over property, as to the value of that property, some machinery independent of the party taking it, the property should be set up to determine the value. That appears to be lacking in this case. It is one where the province taking the property determines the value where it is in dispute. That does not seem to me to be fundamentally sound; it is almost like taking stolen property; and before the dominion puts its stamp of approval on the taking over of the property, it having been brought to its knowledge that this condition exists, it should take some steps to remedy something which looks like, or really is, injustice. It is fundamentally unsound that, whether it is a province or the dominion which acquires property and a dispute arises between that authority and the owner, the government should have the last word and say, "This is the value and this is what you must take." To my mind that is a sort of fascism. There should be some tribunal or some way of determining what is the honest, fair value of that property.

Motion agreed to and the house went into committee of Supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Pensions Branch

Canadian Pension Commission—administration expenses, $534,330.

Hon. C. G. POWER (Minister of Pensions and National Health): Before proceeding to the discussion of any of these items, perhaps I may be permitted to make a few observations with regard to the new set-up of estimates generally and to offer a suggestion or two to the members of the committee. It will be observed that this year, in this department as in all others, the details of the work have been set out at much greater length than has hitherto been the custom. Personally I welcome this innovation, because it shows the house and the country more clearly than ever before just what are the functions of the different departments.

If this has been accomplished, perhaps a greater responsibility devolves upon members of the committee to keep more strictly within the rules of order in discussing matters pertinent to the item which is before them. I say that as much in the interests of members of the opposition as in the interests of the minister himself. I believe that all those who have been members of this house for any length of time will agree with me that there is nothing more disconcerting or more annoying to a serious-minded member than to be interrupted, when he is pursuing some line of thought on the matter before the committee, by a question which is not at all relevant to that item. I respectfully suggest that, in view of the fuller information given, the proceedings will be conducted in a more orderly and perhaps more leisurely fashion—and after all we are likely to be here until next August—if the rules are observed more closely than has been the case in the past.

With respect to the department whose items are now before the committee, whereas in the past a considerable number of its functions, as far as expenditures were concerned, were bulked together, and it was extremely difficult for hon. members to keep to the subject, it is now pretty clearly shown, I think, on the estimates just what items refer, let us say, to pensions, what items refer to unemployment assistance, what payments

refer to the different courts and to the machinery set up for the purpose of awarding pensions.

In order to make my meaning more clear, I would suggest, subject of course to the wishes of the committee, that we proceed by dealing with matters which refer more directly to pensions. The first item that I should like to take up would be No. 215, dealing with administration expenses; the second would be No. 218, dealing with pensions themselves; the third would be No. 224, dealing with the veterans bureau, the agency set up to provide for the proper preparation of claims, and the fourth would be item No. 212, with regard to the pension appeal court. I am prepared to proceed now with item No. 215 with regard to administration expenses of the Canadian pension commission.

The DEPUTY CHAIRMAN: The item will be found on page 27 and the details on page 153 of the main estimates.

Mr. GREEN: The minister's suggestion is more for his own benefit than for the benefit of the opposition. I suggest that he would achieve his end better if, to use a slang expression, he would not try to slip one over us in this way, but would give us, before we proceed with this item, a brief sketch of the situation as it exists to-day across Canada with regard to soldier problems, and in particular a statement on the recommendations of the veterans' assistance commission. It is agreed, I believe by all persons interested in soldier problems that the question of the unemployed veteran is now and has been for several years the main problem facing the returned soldiers of Canada. In 1934 the problem was placed before the then government by the Canadian Legion. In 1935 the Hyndman committee was appointed and made a thorough investigation.

Mr. POWER: On a point of order, Mr. Chairman, I do not wish to insist, but my hon. friend will not give me credit for good intentions and therefore, perhaps, I shall have to insist that the item under discussion has nothing to do with unemployment assistance nor has it anything to do with the condition of unemployment throughout Canada. We are dealing with the administration of pensions and not with administration generally. I suggest that the hon. gentleman is out of order.

Mr. GREEN: That may be, but the problem of the unemployed veteran underlies all these pension estimates.

Mr. POWER: There is a vote dealing with unemployment assistance and I am quite willing to give my hon. friend the fullest assurance that when that vote comes on he shall have a whole day to discuss the unemployment assistance commission's report if he so desires. At the present time, we are dealing with pensions, which has nothing to do with unemployment.

Mr. GREEN: Last year we were met with exactly the same sort of proposal. The veterans' assistance commission made an interim report and the veterans throughout Canada were waiting to hear what action the government proposed to take on that report. We were told, however, "You will have a day later on to discuss the situation." Well, we got a day about one week before parliament prorogued. I submit that we should have a statement from the minister with regard to this report of the veterans' assistance commission.

The DEPUTY CHAIRMAN: The point raised by the minister is well taken. This vote has to do particularly with pension matters and discussion in the committee should have reference to this item alone. Shall the item carry?

Mr. BETTS: Not by any means. Duly impressed as I am by the elaborate paternal remarks of the minister—I never heard before that he was an authority on this point but apparently he is—may I with all deference to his eminence ask what the details of the item are?

Mr. POWER: I shall be glad to read them all; they will be found on page 153. If the hon. gentleman will put on his glasses he will probably be able to read them. Here they are: One chief medical adviser; ten medical officers, grade 5; nineteen medical officers, grade 4; one secretary; three chief clerks; two head clerks; one accountant, grade 2; four principal clerks; four clerks, grade 4; three pension clerks, grade 2; four pension clerks, grade 1; six clerks, grade 3; eight clerks, grade 2; one clerk, grade 1; one confidential messenger; one messenger; one senior messenger; ten investigators, grade 2—

Mr. BETTS: May I ask what the duties of a confidential messenger are?

Mr. POWER: A confidential messenger, I should imagine, would have a very difficult job. First of all, he would be obliged to know how to read, and perhaps how to write, and possibly, after being told once or twice, he would know what were the duties of the chief medical officer or where the chief medical officer's office was, and to whom he should deliver messages. He would have to know who were principal clerks, and he would also

presumably have to know the way to their various offices. The other duties that devolve upon a confidential messenger, I am sorry to say, I do not know.

Mr. GREEN: I do not mind being ruled out of order, but we have tried in dealing with soldier problems, from the first session of this parliament, to deal with them in a non-partisan way. Now you see what will happen if the minister persists in his refusal to make a statement. We are only too anxious to cooperate with him, and I suggest that he would be very much ahead of the game if he would tell us now what he proposes to do about the recommendations of the veterans' assistance commission, so that we may know how to treat the whole soldier question.

Mr. POWER: I, too, have sat on the other side for a great many years and I have often had the pleasure of keeping a minister busy for a prolonged period, though usually I did not attempt to block his estimates when they were non-contentious. Far from intending to make this a partisan matter, I have never attempted to treat it in that light since I came here. But I am not prepared at the present time to make a statement with regard to unemployment assistance. We have matters relating to pensions which are very important, and I believe the pension question should be discussed in this house. There is a vote of over $40,000,000, a most important item. I began with the most important item in the whole department, and I suggest that my hon. friend will have ample time during the course of the session to discuss everything he wants to with respect to pensions. If he wants to keep me here for an hour or more—well, we are likely to be here until August and it does not matter. I can stay here trying to pass items as long as he can stay blocking them.

Mr. GREEN: There is no desire—

Mr. BENNETT: The word "blocking" is out of order under the rules of the house.

Mr. POWER: I withdraw the reference to blocking. I simply refer to what my hon. friend said a moment ago, that the question asked by the hon. member for London (Mr. Betts) was an indication of what might happen if I would not acquiesce in all the whims of hon. gentlemen opposite.

Mr. BETTS: I said nothing about blockade.

Mr. NEILL: There was a reference to sitting until August. That is a distinct threat.

Mr. BETTS: If there is anything improper in asking the duties of a messenger I do not know what it is.

[Mr. Power.]

Mr. POWER: I did not say it was improper, but the hon. member for London seemed to think there was something peculiar about that question because he threatened me with others like it. I have no objection whatever to discussing the duties of any members of the staff.

Mr. GREEN: There is no question of threatening. We simply want to find out for the ex-soldiers of Canada what the minister proposes to do about this report of the veterans' assistance commission. He has had it now for two months; when are we to be told what he is going to do about it? Must we wait until July? This is the third session of this parliament. He has dragged along—

Mr. POWER: Do I understand my hon. friend to say that I have dragged the veterans' unemployment problem along for two years?

Mr. GREEN: Well, it has looked something like that at times.

Mr. MacNEIL: There is no desire to harass the minister; there is every desire to facilitate consideration of his estimates; but he must be well aware that there is a general problem in which ex-service men all across the dominion are interested, touching not only pensions but many other aspects of their circumstances. Recommendations have been made by the veterans' assistance commission. Some of the matters under discussion are of great importance; others are relatively of less importance. It would be a distinct advantage if early in the discussion of his estimates the minister would indicate what his intentions are in regard to implementing the principal recommendations of the commission. Then the discussion would centre on those matters of foremost importance. Therefore I warmly support the suggestion made by the hon. member for Vancouver South (Mr. Green) that the minister should deal first with items not quite as important as pensions, until it is indicated for instance whether or not he will introduce a bill amending the Pension Act this session so as to give effect to important recommendations which I understand he now has under advisement. I think the minister should recognize the sincerity of our desire in that regard, that we simply want to give our chief attention to those matters, which are of outstanding importance.

Mr. POWER: In view of my hon. friend's courtesy in putting his request I have no objection to stating that the commission which has been referred to on several occasions made no recommendation whatever in respect to pensions, so that under the item of pensions I do not think there could be any discussion of the commission's report. It did refer to such

matters as war veterans' allowances and unemployment assistance, and I have actually in preparation, to be brought down within the next week or ten days, very important legislation dealing with that matter. But I am not prepared to discuss that legislation at the present moment. I do not think it would be proper for me to discuss half-baked legislation before I am ready to put it before the house. For that reason I suggested that we begin the discussion of this item relating to pensions, which is not likely to be touched by any legislation. No pension legislation is likely to be introduced this year, at any rate none arising out of the report of the veterans' assistance commission.

Mr. MACDONALD (Brantford): I find myself in complete accord with the procedure proposed by the minister, and not in accord with the suggestions of the hon. members for Vancouver South and Vancouver North. I think the returned soldiers throughout the length and breadth of Canada have complete confidence in the Minister of Pensions (Mr. Power)—

Mr. STEWART: Oh no.

Mr. MACDONALD (Brantford): —and I think the best that hon. members can do is also to have complete confidence in him. He is bringing down his estimates in the manner which he deems to be in the best interests of government, of the department, and of all concerned, and we should not try to embarrass him by raising these questions, but rather should consider the estimates which he is prepared to present to the committee to-night.

Mr. GREEN: I would merely point out that according to newspaper reports the minister himself told the dominion legion convention at Fort William two or three weeks ago that legislation aimed at dealing with veterans' unemployment problems in a broad and generous way would be introduced in the House of Commons with a minimum of delay.

Mr. POWER: Quite right.

Mr. GREEN: If the minister is not prepared to make a statement to-night with regard to the recommendations of the veteran's assistance commission, how soon will he be ready to make that statement?

Mr. POWER: As I have already stated, within a week or ten days. But I am not prepared to tell my hon. friend the exact hour and minute at which I shall bring down the legislation. I gave that undertaking to the legion convention at Fort William, and I stand ready to carry it out. But surely it is not and never has been the custom while I have been in the house for hon. members to insist that in the first week in which the general business of the house is being carried on certain legislation be laid before it. This legislation is being prepared; it will be brought down at the earliest possible time. I repeat the pledge I gave to the legion at Fort William.

Mr. MacNEIL: Perhaps the minister will be good enough to advise us in regard to this difficulty. Many of us have received since last session important recommendations from organizations of ex-service men dealing with proposed amendments to the Pension Act. We are anxious to have them discussed at the proper time. We feel that at this session certain amendments at least should be dealt with. We of course are aware that the report of the veterans' assistance commission does not deal specifically with pension problems. But surely if the minister is not able to announce anything definite at this time in regard to pension legislation, he will give us the opportunity to debate these important amendments in a discussion of the estimates that will come later when his policy is determined.

Mr. POWER: Why would not my hon friend discuss these recommendations with respect to pension legislation now? We are on pensions; this is a proper time to bring these matters to the attention of the government.

Mr. BENNETT: This is only administration.

Mr. POWER: But the whole objection so far has been that I am proposing to discuss the pension group of items one after another instead of skipping about from one branch of the department to another. I have stated that for the greater convenience of the committee we would, if the committee agree, begin with the functions of the pension commission generally. Perhaps this would not be quite the proper item on which to discuss the proposed amendments, but the next which I suggest that we should take up, the vote of forty odd millions of expenditure in the way of pensions, would be an appropriate item on which my hon. friend could make all the suggestions he pleases with regard to amendments to the Pension Act.

Mr. CHURCH: Under the rules of this house and of the British parliament administration items bring into review the whole administration of matters relating to returned soldiers. In the British house the other day this same question was up, and it was not dealt with in a technical way. Representing

a city which sent more soldiers to the great war than any other city in Canada, I am surprised that twenty-one years after the war returned soldiers are still walking the streets looking for employment while employment commissions and committees usurp the powers of this house. What has been done since the last session? There are rules and regulations that ex-soldiers be given preference—

Mr. POWER: I regret to interrupt, but surely the hon. member is out of order.

Mr. CHURCH: Positions on the bench, positions in the senate and positions all through the civil service—

The DEPUTY CHAIRMAN: Order.

Mr. CHURCH: —are being given to civilians, while soldiers are walking the streets.

The DEPUTY CHAIRMAN: Order. The vote before the committee is No. 215, details of which will be found at page 153, dealing with the Canadian pension commission.

Mr. BENNETT: No; it deals with administration expenses—

Mr. DUNNING: Of the commission.

Mr. BENNETT: —which involves the whole problem of administration.

The DEPUTY CHAIRMAN: The hon. member should confine himself to the matter before the committee.

Mr. CHURCH: I understood that years ago. I was in the house before the hon. member. I am here to-day as a representative of the people, and you are not going to pass five cents of this item until I have my say. I know the rules of the house, and if necessary I shall appeal to the Speaker.

The DEPUTY CHAIRMAN: That is the hon. member's privilege. But he, or any other hon. member of the committee, must confine his remarks to the vote before the committee. The minister has pointed out that in another vote, one for $40,900,000, general remarks may be made, but they cannot be made on this vote.

Mr. BENNETT: With all due deference to you, sir, I think you are wrong. I submit that the vote for administration expenses involves the whole problem of administration and everything connected with it. Even if we wished to, we could not cut down the vote for $40,900,000. We cannot in any sense amend it, because it is statutory and fixed by law. We have no control over it. That item for $40,900,000 is something which, under a statute of parliament, we are bound to vote. The amount has been determined by the pension commission.

But under the present vote we are dealing with administration expenses, and the vote involves the problem of administration, details of which are set out at page 153. There we have the whole problem, including the number of men employed, the reasons for their employment, and everything connected with the matter.

Mr. POWER: I regret to take issue with my right hon. friend on the point, but I believe if he would read from page 27 of the estimates he would find, under item 213, provision for departmental administration.

Mr. BENNETT: I have read it.

Mr. POWER: Item No. 213 deals with departmental administration. On that vote perhaps the point would be well taken. Departmental administration would cover any matter which is now being discussed, and with respect to which I called the hon. member to order. It would cover unemployment, because such salaries are covered by departmental administration. If the right hon. gentleman will observe what is written in the book of estimates he will find that item No. 215 follows the item of salaries of commissioners, and that the administration expenses are those of the Canadian pension commission. The Canadian pension commission do not deal with unemployment, but deal purely with pensions.

I think on reflection the right hon. gentleman will come to the conclusion that in all probability under the present item any hon. member could discuss anything connected with pensions or with the Canadian pension commission, but it would not be competent for him to discuss any other matter which would come under some other branch of the department.

With respect to the contention of my right hon. friend that the $40,900,000 represents a statutory provision, may I say that that is so, but only to a certain extent. It is not statutory in the sense of a fixed vote being statutory. It cannot be, because the evidence is right here.

Mr. BENNETT: I do not suggest it is, with respect to salaries.

Mr. POWER: It is not statutory in the sense that the salary of a commissioner is statutory, where is it set down in the legislation that the commission chairman shall receive a salary of so much and that the members of the commission shall receive so much. That is statutory, in the real sense of

the word. But to say that a vote of $40,900,000 is statutory, and that it has to be voted, is going a bit far.

Last year it was $41,500,000, and that was not statutory. On reflection I think my right hon. friend will come to the conclusion that there is a vast difference between a fixed sum to be paid out of the consolidated revenue fund, and so stated in the statutes, and an amount which may vary from year to year.

Mr. BENNETT: I think I can make perfectly clear the difficulty the minister has indicated. A statutory obligation may be of a twofold character. It may be indicated in terms as to what the amount of the statutory claim may be, such as judges' salaries, salaries of commissioners and matters of that kind. Then there is the second type—

Mr. POWER: Which need not be voted.

Mr. BENNETT: This amount, do you say?

Mr. DUNNING: No, the first part, marked with the letter "S".

Mr. BENNETT: Yes. But the amount of $40,900,000 is statutory, because it is a computation passed under the terms of a statute, which cannot be modified without repeal. That is the whole position. That is, under authority of a statute, $40,900,000 must be provided.

Mr. DUNNING: It must be voted.

Mr. BENNETT: No; it must be provided and voted under authority of the statute. Therefore it is a statutory obligation of the Dominion of Canada and, as such, cannot be lessened, unless the statute is amended or repealed.

Mr. DUNNING: Oh, yes; adjudication can change it.

Mr. BENNETT: On the adjudication as made, this is a statutory obligation now fixed at $40,900,000, on a series of computations, which computations are made under the terms of the statute. They cannot be more or less, once the adjudication is made, unless under authority of the statute.

Suppose we were to pass a resolution reducing the item by a million dollars, hon. members will realize that at once we would have the position of having contravened a provision of the statute.

Mr. DUNNING: No.

Mr. BENNETT: Yes, because adjudication is made under the statute, and the provision at once makes it a statutory obligation.

Mr. MACKENZIE (Vancouver): The numbers entitled to pension might vary, from year to year, under the statute.

Mr. BENNETT: The minister answers my question when he adds the words, "under the statute."

Mr. MACKENZIE (Vancouver): I should say consequent upon the statute.

Mr. BENNETT: There can be no variation in the item, except under the statute.

Mr. POWER: The minister would have no alternative except to bring in legislation to change the system of adjudication.

Mr. BENNETT: That is my view.

Mr. POWER: But we have strayed away from the theoretical point as to whether or not it is statutory. Perhaps I would agree with my right hon. friend that in one sense it is but in another it is not. It is not statutory in the sense that it shall be passed without discussion by the committee.

Mr. BENNETT: Correct.

Mr. POWER: The item of $40,900,000—which, by the way, is not before the committee—is an item which is always discussed and can properly be discussed by the committee, even though there might be some doubt as to the propriety—yes, I will say more than that—or as to the legality of someone moving to reduce it.

Mr. BENNETT: That is the point I made. At page 151 we find the branch administration details.

Mr. POWER: We are not on that yet.

Mr. BENNETT: We are on item No. 215, which item deals with administration expenses, and follows the words "salaries of commissioners," which has reference to the administration by the commissioners.

Mr. POWER: Of the commission only.

Mr. BENNETT: Yes, I say that. It is not the administration of the department, but the administration of the pension commission as found at page 153 in the details. That opens up the whole question of the administration by the commission of the Pension Act.

Mr. POWER: Of pensions.

Mr. BENNETT: Not departmentally.

Mr. DUNNING: May I be permitted a word of explanation of the new form of estimates, as it might apply to discussion. It

was the intention, in preparing the new form, to have one item, and one only, in each department under which the general discussion of the administration of that department would be facilitated. The balance of the items deal with specific matters. That is the case in each department. However, in the case of this department there are two administrative items, one relating to the department generally, being No. 213, and the other one relating to the administration of the pension commission. The reason for these items is to give opportunity for the ordinary discussion of pensions administration apart entirely from the discussion of other aspects of departmental matters and thus to get rid of the somewhat confusing discussion which has occurred in the past in committee of supply when one member would ask a question relating to some particular matter and another member would follow with a question relating to something else miles away. The hope is to give better service to the members of the committee by way of information and by confining the discussion within reasonable limits. The present vote would permit a discussion of everything connected with the administration by the pension commissioners of the work entrusted to them, but I submit that it does not permit a discussion of other aspects of departmental work.

Mr. CHURCH: Mr. Chairman, may I be permitted to say a few words about this item of $534,330, being a decrease of $18,196 from last year? The details of this item are to be found at pages 151 and 153 of the estimates. I am surprised that there should be a necessity for such a large number of officials twenty years after the war. In the details I see listed a deputy minister, an assistant deputy minister, a draughtsman, stenographers and clerks. Is it not the duty of all these officials to see that the act is carried out? Is it not the duty of these officials to see that preference is given to returned soldiers? I am receiving letters all the time from all over Canada complaining about the administration of this act. Returned soldiers cannot get a job on the Canadian National Railways, and twenty years after the war there is still plenty of evidence that returned men are out of work. I think it would be better if we had a committee of ten or fifteen members to which these estimates could be referred so that there might be a businesslike discussion of this matter.

Mr. BETTS: Would the minister give the particulars of the item of $6,500 for materials and supplies, as set out on page 153?

[Mr. Dunning.]

Mr. POWER: That would cover stationery and other supplies needed by the office of the Canadian pension commission and its employees throughout the country.

Mr. HEAPS: I was surprised to hear the minister give such a strict interpretation of the rules of procedure. I can remember that when he was sitting to the left of the Speaker he was not quite as strict in his observance of the rules.

Mr. POWER: Owing to the looseness of the rules he was probably able to carry on in a manner which was embarrassing to the minister and at the same time to some hon. gentlemen on the other side of the chamber. With the desire to endeavour to reform the procedure he suggested very humbly that perhaps better progress could be made and a better understanding of this whole pension problem arrived at by proceeding in an orderly and leisurely fashion. I have no objection to going back to the old rough and tumble scramble where everybody talks at once on every possible subject, but I think it would be more in order if the committee would deal only with pensions at this time.

Mr. HEAPS: I realize it is far better that we should conduct our business in an orderly manner, but I notice that the minister has chosen an appropriate time to start this orderly way of doing business. However, I rose in my place to ask for a little information. I notice from the details on page 153 that the number of employees in the department has been reduced to some extent as compared with last year. Could the minister state if that reduction has been made because of there being less work in the department, because we have reached the peak so far as this work is concerned, or is it for other reasons?

Mr. POWER: Does the hon. gentleman refer to the decrease in the amount of the item?

Mr. HEAPS: No, in the number of employees.

Mr. POWER: There is a decrease of nine, due largely to the fact, I believe, that a number of employees of the Canadian pension commission were absorbed into other branches of the department. As a result of an amendment in 1936 to the Pension Act the department received authority to take over employees from the pension commission. Prior to 1936 there were two so-called water-tight compartments, the departmental employees and the Canadian pension commission employees. It is now possible for the department to draw on the pool in the pension

commission. My hon. friend is quite right in thinking that to some extent the work of the pension commission has decreased. He will notice on looking at the estimates that the amount involved in the payment of pensions is considerably less than it was last year.

Mr. GREEN: How many pension commissioners are there at the present time? I notice from the annual report of the department that the arrears of cases have been practically eliminated. It was our understanding that as soon as the arrears were caught up with the number of commissioners would be reduced, thereby decreasing the expense.

Mr. POWER: When I came into the department there were twelve commissioners. One commissioner was added under the legislation of 1936, but four retired last year. At the present time there are nine commissioners, a decrease of three as compared with August, 1936.

Mr. LENNARD: Will the minister explain the item of $40,000 for professional and special services?

Mr. POWER: That refers to the employment of outside professional men, mainly doctors, etc. I have not the list before me, but I believe there are probably ten or fifteen specialists in Toronto, with the same number in Montreal and a proportionate number in other cities, who may be called from time to time. This vote would be for fees to be paid to these men.

Mr. LENNARD: Would they all be medical men?

Mr. POWER: All medical men.

Mr. LENNARD: What would the special services cover?

Mr. POWER: There might be the odd amount for legal fees if the pension commission decided to prosecute in cases of fraud, but I do not know of any during the past year.

Mr. LENNARD: Would the minister explain the item of $75,240 for temporary assistance?

Mr. POWER: Under some kind of regulation of the moguls of the treasury board it is impossible to make more than a certain percentage of the employees of a department permanent. Only 80 per cent can be made permanent; the remainder are temporary employees, and the only nomenclature I can find for them is temporary-permanents or permanent-temporaries. Some of them have been in the department for five or six years or more; but there is a rule now, generally observed throughout the whole civil service, that only 80 per cent of the employees in any department shall be permanent.

Mr. LENNARD: Are these employees engaged by the civil service commission?

Mr. POWER: Yes, all of them.

Mr. GREEN: How many members of this staff are returned men?

Mr. POWER: Ex-service men comprise 92 per cent of the male staff of the whole department.

Mr. GREEN: Is there any reason why it should not be 100 per cent?

Mr. POWER: There are such employees as office boys, and I suppose there is an odd instance of a technical man who has managed to get in. Then there are a few men who are not ex-service men, who have been in the department since its inception. I think my hon. friend would be pretty well satisfied if every department could show 92 per cent of ex-service men.

Mr. LENNARD: Why have the office boys' salaries been materially reduced?

Mr. POWER: I do not know that they have been, but I shall be glad to look into the matter and have the office boys call on my hon. friend and see that he is satisfied.

Mr. LENNARD: Would the minister explain the item of $80,000 for transportation and travelling expenses?

Mr. POWER: That is for the travelling expenses of the quorum members, who, as my hon. friend knows, travel from one end of the country to the other and hold sittings; also for travelling expenses of pensioners and applicants. Reverting to the question of office boys, I find that there were two office boys, and now we have only one, so I shall be able to send only one to my hon. friend.

Mr. MacNEIL: Consequent upon the amendments of 1936 in regard to the staff of medical officers, I see there is a reduction of only one. Has their status in any degree been altered, or were there any transfers from the department to the commission? Are they solely responsible to the commission and not in part to the minister?

Mr. POWER: Generally speaking, the medical men who were connected with the pension commission have remained there. There has been no very great change. One was transferred to the health branch of the department because we needed a new man.

Mr. BAKER: Has the minister studied and is he quite satisfied with the expense of

running this department in relation to the amount of money the returned men are actually receiving? What percentage of the amount the men actually receive in money does the cost of operating the department represent?

Mr. POWER: We have had calculations and estimates of that made during the last twenty years, and generally the minister contents himself with saying that the cost of administration is about three per cent. My hon. friend would probably find that it is more if he went into it, because I know that when I was sitting opposite I satisfied myself that the cost of administration, if one took into consideration overhead and one thing and another, would probably go over three per cent. But that arbitrary figure, so to speak, has been fixed for the last fifteen or twenty years, and we all stick by it because we do not know of any other. I move, Mr. Chairman, that this item stand.

Item stands.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—general administration, $1,106,150.

Mr. LENNARD: What is the explanation of the increase in this item?

Hon. J. L. ILSLEY (Minister of National Revenue): The net increase in this item is $96,490, accounted for in this way: the increase in permanent salaries amounts to $82,990, made up as follows: Restoration of five per cent deduction, $44,880; statutory increases, $24,765; thirty-five temporaries made permanent, $33,840; salaries of three employees transferred from undervaluation branch and one from investigation branch, $5,880; additional amount required due to reclassifications and promotions, $5,065; making a total of $114,430. From that must be deducted the following: sixteen positions abolished, $23,865; saving by the promotion of officers at less salaries than paid their predecessors, $7,575; making total reductions of $31,440. That makes a net increase of $82,990, which accounts for the greater part of the $96,490 increase. The remainder is made up as follows: There is an increase of $25,700 in printing and stationery; a decrease of $10,000 in temporary salaries, and a decrease of $2,200 in travelling expenses. If the hon. member will add the $25,700, and subtract the $10,000 and the $2,200, he will get the net increase of $96,490.

Mr. BAKER: Why should the general administration costs of this department rise so much? It is true that the revenues collected are considerably more than last year, but the collections are made largely on the same number of items, the only difference being that the items themselves are larger. For example, it should not cost the department any more to collect $5,000 of a man's income tax than if $2,000 were collected from him the year before. How does the minister explain such a big increase in the administration? In round figures, surely only the same amount of work has to be done.

Mr. ILSLEY: I have just explained it. The greater part of it is due to the restoration of the five per cent deduction. That comes to $44,880, and the statutory increases amount to $24,765. Then certain officers who have been classified as temporary have been made permanent, and that moves them from other estimates into these particular estimates and accounts for the increase of $33,840. I do not know that I can give the hon. gentleman any better explanation than that; but he will see that when you have to add nearly $45,000 on account of the restoration of the five per cent cut, and nearly $25,000 because of statutory increases, that is quite a big part of the increase which is shown here.

Mr. BAKER: Is that the final five per cent?

Mr. ILSLEY: Yes.

Mr. BAKER: Then are we safe in saying, or can we hope, that you do not anticipate the continuance of this great big increase of $96,000 every year in the running of the administration?

Mr. ILSLEY: I do not anticipate it, no. One can never tell. The hon. gentleman has himself pointed out quite a notable fact, that the collections of the Department of National Revenue as a whole—I am not speaking now of the customs and excise divisions—have increased enormously in the past two years. I quote now from memory and in round figures: In the twelve months just before I took over the office in October, 1935, the net collections for the department of national revenue were about $305,000,000, and for the twelve months two years later they were about $435,000,000. There has been a very great increase in the amount collected, and it is accounted for not merely by larger sums being obtained from the same number of transactions, but by a very great increase in the number of transactions, making necessary some increase in staff. But the figures that I have given show that most of the increases here are made up, not at all

by an increase in staff, but by restoration of the five per cent deduction and by statutory increases. The increase in staff is shown in the details at the back of the book.

Mr. BAKER: Of course it is quite true that improved conditions of trade and commerce in Canada and generally throughout the world have naturally caused bigger collections to be made. But while we are making bigger collections, the effort of the department, one would think, would be to endeavour to get the same revenues at the same cost if possible. However, I am pleased to hear that the minister, in view of this five per cent now being added, which is the final addition to the one hundred per cent salaries that have been drawn, does not anticipate in the future these continued additions to general administration costs.

Mr. ILSLEY: I shall take the last five years, for example, and give, not the figures of revenues and expenditures but the percentage cost of collection. Starting at 1930, that is for the year 1930, the percentage cost of collection in customs and excise was 3·30 per cent; in 1931, 4·45; in 1932, 4·87; in 1933, 3·86; in 1934, 3·37; in 1935, 2·97; in 1936, 3·20; in 1937, 2·71; and for the first nine months of 1937-38, 2·45.

Mr. BAKER: Of course the more you collect the less the percentage should be.

Mr. ILSLEY: Well, it is going down pretty rapidly.

Mr. BAKER: It is quite natural that it should.

Mr. ILSLEY: Yes.

Mr. SPENCE: That was not due to the minister's efforts; that was due to better times.

Mr. STEWART: I notice on page 147 of the estimates that the cost of temporary assistance for the year 1938-39 is estimated at $415,395, while for 1937-38 it was $210,455. That seems a striking increase in that service. Would the minister give the committee some details or an explanation of the reasons for that increase?

Mr. ILSLEY: This does not come under the vote that we are discussing, because temporary assistance is not under general administration, but I have no objection to going into it now if the hon. gentleman would prefer that I do so. One of the reasons for some increase in temporary assistance—

Mr. STEWART: It is nearly double.

Mr. ILSLEY: Yes, but a large item was due to a change in policy with regard to overtime. In this department there had grown up over the years the practice of paying a large number of customs officers very large sums for overtime services. The rate paid for overtime work was substantially higher than that paid for ordinary work. During the past year we have made a substantial—I was almost going to say a drastic—change of policy in that regard, and whereas the overtime paid by the department for the year 1936-37 was $228,639.51, the overtime paid by the department for the first nine months of the present year 1937-38 was only $13,216.27. So we have cut out the greater part of our payments for overtime. But we have been obliged to take on about 140 or 145 additional officers, who appear in the item to which the hon. gentleman has referred—temporary assistance. That would be the main reason for the increase in temporaries. But there has been some increase in temporaries apart from overtime, due to the increase in activities on the frontier. There has been a tremendous increase in tourist business and also a very large increase in imports.

Mr. STEWART: I thank the minister for connecting those two items, because the next question I proposed to address to him was as to the difference between the items of overtime in 1937-38 and in 1938-39. On the same page, in 1937-38 the overtime was $294,952, and for the current year it is $150,000, a difference of about $144,000 of a saving in overtime. But for temporary assistance the increase is much greater than the saving in the payments in respect of overtime.

Mr. ILSLEY: Not very much.

Mr. STEWART: Well, substantially so. It is an increase, and I suppose the only answer that the minister can make is that it is giving an additional number of men employment; but it is really not effecting an economy in the end.

Mr. ILSLEY: It did effect an economy. I am not sure whether it was a large economy, but it is not as my hon. friend has just put it. The number that have been taken on are doing more work than was being done by the overtime men. There has been an increase in the number of temporaries to do the work that was performed by the officers who had been doing overtime, and there has also been an increase in the number of other temporaries. We had to do this in order to meet increased business. If we had left the overtime system as it was we would have had to increase

the staff substantially to take care of the increased business in export, import, tourist business and excise.

Mr. LAWSON: With respect to this item No. 204, would the minister be good enough to indicate whether the appointment of the temporary employees as permanent was in the customs or the excise division or in both; and in either event what type of employees were they whose status was changed from temporary to permanent?

Mr. ILSLEY: The change of status took place in the customs and excise divisions. This vote deals with general administration at head office of the customs and excise divisions, and the change took place in both. These temporaries were made permanent.

Mr. LAWSON: That is something in the routine of events; it is not a matter of taking a group?

Mr. ILSLEY: No.

Mr. LAWSON: Following through to page 141 I find that there have been apparently several new appointments of importance. The minister will see an item with regard to a "dominion customs appraiser, values," and immediately under that there is provision for a secretary, customs division. Apparently there was not a secretary in 1937-38. Will the minister tell me the name of the present secretary and when he was appointed? Was it a civil service appointment?

Mr. ILSLEY: This is merely a reclassification; these individuals do not represent additional appointees. Mr. Taylor is now secretary of the customs division; last year he was head clerk. The same applies to the position of assistant secretary.

Mr. LAWSON: Customs division?

Mr. ILSLEY: Yes.

Mr. LAWSON: A little further down the page there is provision for a chief, customs check branch. Is that a promotion or a new appointment?

Mr. ILSLEY: That is a promotion. My hon. friend will see that there is a large reduction in the other column of head clerks. These are simply called by different names. They are reclassifications, and do not represent new people brought in.

Mr. LAWSON: May I take it that all the instances in the column showing the number of persons holding positions in 1937-38, which indicate what would appear to be new appointments in the column for 1938-39, are promotions and not new appointments?

[Mr. Ilsley.]

Mr. ILSLEY: That is correct, yes.

Mr. BENNETT: But there are twenty-two new appointments.

Mr. ILSLEY: These are temporaries made permanent. If the committee would permit me, my colleague the Minister of Transport (Mr. Howe) would like to get into committee to-night, and I shall not ask that this item be passed. We could let the item stand and call an item to enable the Minister of Transport to get in.

Item stands.

DEPARTMENT OF TRANSPORT

Marine Service—maintenance and repairs to wharves, $7,500.

Mr. BROOKS: This is a small item for the maintenance and repair of wharves in Canada. Where are these repairs being carried out?

Hon. C. D. HOWE (Minister of Transport): There are some two thousand wharves entrusted to the Department of Transport for management. The item covers small repairs to these wharves, the average item being under $50. If there are major repairs to be carried out, the work is done by the Department of Public Works.

Mr. BROOKS: Are these wharves in inland waters or on the sea?

Mr. HOWE: Both. Last year the following amounts were spent: Nova Scotia, $693.42; Prince Edward Island, $1,524; New Brunswick, $193; Quebec, $1,035; Montreal, $521; Prescott, $100; Parry Sound, $1,257; British Columbia, $567. These are the amounts that were spent in the different agencies.

Mr. LENNARD: What is the reason for the increase in connection with lighting?

Mr. HOWE: There is no increase in the main item; it is the same as it has been for the last three years.

Mr. LENNARD: An increase is shown here.

Mr. STIRLING: Does $4,500 provide for the lighting of all government wharves in Canada?

Mr. HOWE: No.

Mr. LENNARD: An increase is shown for lighting of $750 as compared with last year's item.

Mr. HOWE: There has been a reallocation of the item; the total of the item is not changed. We transferred about $1,000 out of materials and supplies into the lighting item because experience has shown that a larger expenditure is required for lighting and a lower expenditure for materials.

Mr. STEWART: How much was spent last year out of the corresponding vote?

Mr. HOWE: Last year we spent $7,135.

Item agreed to.

To provide for breaking ice in Thunder bay, lake Superior, and other points deemed advisable in the interests of navigation, $30,000.

Mr. STIRLING: What does "and other points" mean?

Mr. HOWE: The contract for ice-breaking in Thunder bay covers one or two small adjacent harbours. I think this is the third or fourth year this contract has been in force.

Mr. STEWART: What was spent last year out of the corresponding item, and to whom were the payments made?

Mr. LAWSON: Is it one company or several?

Mr. HOWE: Last year there was spent $30,000. It is a contract calling for an annual payment of $30,000. The contract was with Sinmac Lines Limited.

Mr. STEWART: What does the contract require the contractor to do?

Mr. HOWE: It calls for him to open the harbour, commencing at a date set by the marine branch, and to maintain navigation in the autumn up to a date specified by the marine branch for closing navigation in that harbour. It also includes transportation of lighthouse keepers to certain lights, and opening of harbours such as Rossport and, I think, possibly one or two other small harbours nearby.

Mr. STEWART: Were tenders invited for this service, and is there a written contract for it?

Mr. HOWE: There is a written contract for it. The contract was renewed last year at the same rate as before. It is a three year contract, that expired last year and was renewed at the same rate for three more years. The price we have now is one of the lowest contract prices we have ever had for that service.

Item agreed to.

To provide for Canada's share of the cost of the north Atlantic ice patrol, $6,000.

Mr. STIRLING: What is undertaken by Canada under this patrol?

Mr. LAWSON: And with whom?

Mr. HOWE: The north Atlantic ice patrol was set up in 1914. Thirteen different nations are parties to the agreement. The patrol has been managed by the United States, and the cost is divided among the various nations in agreed proportions. Canada's share of the cost is three per cent per annum, and the cost varies slightly from year to year but Canada's share never exceeding $6,000.

Mr. STIRLING: Do Canadian ships carry out the patrol?

Mr. HOWE: The work is done by United States ships.

Mr. STEWART: What was expended last year under the corresponding vote?

Mr. HOWE: In 1936 the amount expended was $4,566, and in the previous year, $5,331.

Item agreed to.

Marine service administration, $18,040.

Mr. BROOKS: Will the minister explain the increase over the previous year?

Mr. HOWE: The increase is made up of statutory increases, $240, and restoration of salary deduction, $740.25.

Item agreed to.

Administration of floating equipment, $28,835.

Mr. BROOKS: What is meant by floating equipment?

Mr. HOWE: The equipment of the department, boats of all kinds, was administered in earlier years by several branches of the department, by the ship channel branch, the dominion steamers and the ice-breakers. All our boats are now administered by this branch. The moneys covered by this item were formerly in the ship channel vote, the vote for miscellaneous services relating to navigation, and the dominion steamers and ice-breakers vote. Now we have a branch which manages boats of all kinds belonging to the Department of Transport.

Mr. STEWART: I assume from the minister's statement that this vote does not include any floating equipment under the control and operation of the Department of Public Works. Those remain as they were?

Mr. HOWE: Quite right. It relates only to those of the Department of Transport.

Mr. STEWART: I understood the minister to say it included all the floating equipment of the government.

Mr. HOWE: No; the floating equipment of the Department of Transport.

Mr. BENNETT: Does this include the operation of dredges?

Mr. HOWE: Such dredges as we have.

Mr. BENNETT: While you have sold during the year, have you not, a large number of these, you still have the same number of men and the same expenditure?

Mr. HOWE: The men were there before but their duties have been reallocated. There has been a readjustment. We had no vote last year to correspond with this, but the men were in the department last year.

Mr. STEWART: Would the minister give the committee more details of the floating equipment, of what it consists?

The DEPUTY CHAIRMAN: The minister could have that information for the next sitting.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 16, 1938

The house met at three o'clock.

THE UNION JACK

DISPATCH FROM COLONIAL SECRETARY REFERRED TO IN DEBATE ON A CANADIAN FLAG

On the order for motions:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday the right hon. leader of the opposition (Mr. Bennett) asked if I would lay on the table the dispatch from Colonial Secretary Harcourt concerning the flag that is flown in Canada, to which reference had been made on the previous evening. I have the dispatch in my hand and I think it would be of interest to hon. members generally to be apprised of it. If the house will permit, I should like to read the communications. The first is:

Ebenezer, Saskatchewan, Canada,
March 11, 1911.

The Secretary,
His Imperial Majesty,
King George V.

My Lord,

I am the teacher at one of the public schools in the Canadian northwest.

An order has recently been issued by the department of education that every school in the dominion shall fly the national flag, and there seems some uncertainty amongst the people in this locality as to the flag this school shall have. I hold that the Union Jack pure and simple, is the national flag of the British empire throughout the world; but find some people on this side of the Atlantic have a notion that the "red ensign" with Canadian coat of arms (the naval flag) should be used in Canada.

[Mr. Howe.]

I shall be much obliged therefore if you would say which is in order.

Trusting to receive the favour of your reply.

I beg, etc.,
John F. Stedman.

Colonial Secretary Harcourt wrote to the Governor General in connection with this letter as follows:

Downing Street,
12 April, 1911.

My Lord,

I have the honour to transmit to Your Excellency a copy of a letter received by the King's private secretary from Mr. J. F. Stedman respecting the national flag to be flown in Canada.

I shall be glad if Your Excellency will cause the writer to be informed that the Union Jack is the national flag of Canada as of all other parts of His Majesty's dominions.

I have the honour to be,
My Lord,
Your Lordship's most obedient,
humble servant,
L. Harcourt.

Governor General,
His Excellency,
The Right Honourable,
Earl Grey, G.C.M.G., G.C.V.O.,
&c. &c.

There are two other communications I should like to read, the first being:

Ottawa, Ontario,
2nd May, 1912.

The Secretary of State
for the Colonies,
London.

Dear Sir,

Will you kindly inform me what is, according to correct usage, the proper flag for a citizen of the British empire to use in his own grounds or on his house on say 24th May or Dominion day or other occasion when flags are used.

I mean by this, is the red ensign correct on land: as it is said by some to be the exclusive flag of the merchant marine. Is the flag of Canada correct for this decorative purpose? (Red ensign with badge of Canada in the fly.) Is the Union Jack correct? May any or all of these flags be used by a private citizen, who has no official rank?

Kindly address me, care of the general office: National Transcontinental railway, Ottawa, Ontario, Canada.

Yours very truly,
George S. Hodgins.

The next communication reads:

Downing Street,
21st May, 1912.

Sir:

I have the honour to transmit to your Royal Highness a copy of a letter from Mr. G. S. Hodgins in regard to the flag which should be used by private persons who are British subjects.

2. I should be glad if you would be good enough to cause Mr. Hodgins to be informed that the Union flag is the national flag of Canada as of all other parts of His Majesty's dominions. and may be flown on land by all British subjects: and that the red ensign, with the arms of the dominion of Canada in the fly, is intended to be used only by Canadian merchant vessels.

I have the honour to be,
Sir,
Your Royal Highness' most
obedient humble servant,
L. Harcourt.

Governor General
His Royal Highness
The Duke of Connaught and of Strathearn,
K.G., K.T., K.P., G.C.B., G.C.S.I.,
G.C.M.G., G.C.I.E., G.C.V.O.,
&c., &c., &c.,

Right Hon. R. B. BENNETT (Leader of the Opposition): It will be remembered that I directed the attention of the house to the fact that the colonial secretary did not of his own motion undertake to declare officially what was the Canadian flag. It will be recalled that I made that quite clear on the pages of Hansard. My argument has been abundantly verified; for it will be observed that Mr. Harcourt was simply answering a question which had been directed to His Majesty the King by a citizen in Saskatchewan. It would hardly be correct to say that that was the first official statement as to what the flag of Canada was; for there was a circular showing that the official flag of the whole British Empire was what was called the union jack, and it was not until long after that, that there was any question of any other flag being used by any part of the king's dominions. But the point I tried to make was that under no circumstances did the colonial secretary undertake to indicate what the position was except in answer to an inquiry directed to the king by the teacher in Saskatchewan.

Mr. MACKENZIE KING: Mr. Speaker, I did not intend to discuss the matter, but what my right hon. friend has just stated makes it necessary for me to point out that what he has said is not entirely correct. It is correct with respect to one of the communications I read, but not with respect to the other. The second communication was from George S. Hodgins of Ottawa, addressed to the Secretary of State for the Colonies, London, not to the secretary of His Majesty at all, asking if he could be informed as to the correct usage in respect to the flag, and the secretary of state replied to the governor general—there was no reference to His Majesty or to His Majesty's secretary—that he would be glad if the governor general would cause Mr. Hodgins to be informed that the union flag was the national flag of Canada.

Mr. BENNETT: And it was in answer to an inquiry. That is the point I was making.

OPIUM AND NARCOTIC DRUG ACT

Hon. C. G. POWER (Minister of Pensions and National Health) moved for leave to introduce Bill No. 24, to amend the Opium and Narcotic Drug Act, 1929.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

DEPARTMENT OF AGRICULTURE—EMPLOYEES

Mr. BOULANGER:

What are the names, duties and salaries of employees of the Department of Agriculture of Quebec who carry out work controlled and paid for by the federal Department of Agriculture?

Mr. RINFRET (for Mr. Gardiner): Nil.

RUSSIAN COAL IMPORTATIONS

Mr. LENNARD:

How many tons of coal were imported into Canada from Russia during the twelve months ending December 31, 1937?

Mr. EULER:

146,656 tons (of 2,000 pounds).

CANADIAN WHEAT BOARD

Mr. FAIR:

1. How many bushels of wheat were held by the Canadian Wheat Board on January 1, 1937?

2. How many bushels were purchased during the year 1937?

3. How many bushels were held on December 31, 1937?

4. Are the officials of the wheat board still drawing salary?

5. What was the cost of operating the wheat board in 1937?

Mr. EULER:

1. 54,491,000 bushels.

2. No purchases made during 1937.

3. 6,961,000 bushels, of which 6,557,000 bushels were cash wheat converted from futures into cash wheat suitable for seed and sold to the Saskatchewan government for spring delivery. The balance of 404,000 bushels were futures.

4. Only the chairman.

5. As the board operates on a fiscal year ending July 31, no figures are available showing costs for the calendar year. The net cost for the fiscal year was $111,359.83.

I might add a word of explanation with regard to the answer to the fourth question,

which asks whether the officials of the wheat board are still drawing salary. I take this to mean the commissioners constituting the board. Of course, the regular staff of the board are still receiving salary because they are still discharging their duties.

AUDITOR GENERAL'S OFFICE

Mr. HYNDMAN:

1. How many new appointments were made in the Auditor General's office last year?
2. How many promotions were made in the Auditor General's office last year?
3. Who made the recommendations for promotions in the Auditor General's office?

Mr. DUNNING:

1. Fourteen.
2. Nine.
3. Promotions are made by the civil service commission on the basis of ratings prepared by the chiefs of branches and supervisory officers of this office.

ROYAL CANADIAN MOUNTED POLICE—LEGAL COUNSEL IN PROSECUTIONS, THREE RIVERS

Mr. GARIEPY:

1. Since January 1, 1936, was Mr. Fernand Choquette, K.C., of the city of Quebec, or Mr. Gerard Fauteux, K.C., of the city of Montreal, engaged by the Department of Justice in actions instituted by the said department, or by the Royal Canadian Mounted Police, in the judicial district of Three Rivers?
2. If so, what were said actions?
3. What sums were paid to the said Fernand Choquette or Gerard Fauteux for their services?

Mr. LAPOINTE (Quebec East):

1. Yes, both of them, with J. Louis Marchand, Esq., of Three Rivers, P.Q., as associate counsel, in cases instituted by the Royal Canadian Mounted Police, in the circumstances set forth in No. 2.

2. The actions concern persons involved in an organization which covered a large area in the province of Quebec for the purpose of transporting and distributing illicit alcohol.

To date, 43 charges have been preferred under the provisions of the criminal code for conspiracy to defraud the revenue.

Investigations by the R.C.M. Police prior to the preferring of charges covered a period of almost two years and Messrs. Gerard Fauteux, K.C., and Fernand Choquette, K.C., were the original appointees as counsel for the Crown to assist in segregating the evidence and preparing charges entered at Montreal, Quebec City and Three Rivers, P.Q.

In view of the importance of these cases and the long study which the two legal counsel gave them from their inception, it was essential that their services be retained to prosecute at the three points mentioned.

The following persons who had been engaged in the transportation and distribution of illicit alcohol were charged at Three Rivers, P.Q., with "conspiracy" under the provisions of sections 444 and 575 of the criminal code, and in addition, under Section 169 of the Excise Act: Ovila Champagne, St. Stanislas, P.Q.; Adelard Champagne, St. Stanislas, P.Q.; Hérve Duchesneau, Three Rivers, P.Q.; Ludger Duchesneau, Three Rivers, P.Q.; Remi Bousquet, Three Rivers, P.Q.; Raymond Thiffeault, Three Rivers, P.Q.; J. Bte. Demers, Grand Mère, P.Q.; Ovila St. Jean, Laviolette, P.Q.; Lionel Audet, La Sarre, P.Q.; Noel J. Begin, La Sarre, P.Q.; Albert Fortin, Jonquière, P.Q.; Andre Roy, La Tuque, P.Q.

In addition Ovila Champagne was charged under section 157 of the criminal code for attempting to bribe a member of the Royal Canadian Mounted Police, who investigated these cases.

In all the aforementioned actions the following were employed as legal counsel:

(1) Gerard Fauteux, Esq., K.C., Montreal.

(2) Fernand Choquette, Esq., K.C., Quebec City.

(3) J. Louis Marchand, Esqu., as Associate Counsel, Three Rivers, P.Q.

3. Gerard Fauteux, Esq., K.C., $1,544.74.

Fernand Choquette, Esq., K.C., $1,081.18.

J. Louis Marchand, Esq., nothing paid to date as account not yet received.

WEIGHTS AND MEASURES INSPECTION SERVICE

Mr. DOUGLAS (Weyburn):

What is the total amount that has been collected by the weights and measures service in connection with scale inspections since January 1, 1930, under the following headings: (1) fees; (2) cartage; (3) special expenses?

Mr. EULER: As the records of the weights and measures inspection service are based upon the fiscal year, figures for calendar years are not available. Further, it is impossible to segregate fees collected for scale, inspection and the following statement gives the total fees collected in connection with the inspection of all trade equipment for the fiscal years, as indicated:—

Fiscal Year	Inspection Fees	Cartage	Special Expenses
1929-1930	$341,151 30	$54,491 75	$5,976 80
1930-1931	358,402 75	49,080 90	6,135 15
1931-1932	349,195 30	47,892 05	2,801 20
1932-1933	332,244 80	47,134 90	3,289 30
1933-1934	347,497 20	46,651 75	1,707 10
1934-1935	351,414 65	46,810 90	2,214 10
1935-1936	346,592 75	47,050 60	1,824 20
1936-1937	342,583 15	44,481 50	2,892 15
1937-Jan. 1938	304,362 73	36,462 90	4,492 12

PROTECTION OF RAILWAY CROSSINGS

Mr. LANDERYOU:

1. How many railway crossings in Canada were protected by bell and wigwag signals in the years 1930 to 1937 inclusive, giving the number for each year?

2. How many accidents occurred at railway crossings protected by bell and wigwag signals, giving the number of people killed or injured, in each of the years 1930 to 1937 inclusive?

3. To what tests were the bell and wigwag signals subjected in Canada before they were finally adopted by the railway commission?

4. Where are the bells and wigwag automatic railway crossing signals manufactured?

5. How many were purchased by the government in each of the years 1930 to 1937 inclusive?

Mr. HOWE:

1. Year	Bells and Wigwags
1930	374
1931	430
1932	437
1933	445
1934	461
1935	507
1936	585
1937	616

Note: The protections shown above are those towards which a grant was made from the grade crossing funds. We have no record of such protections installed without assistance from the board's funds.

2. Year	Accident	Killed	Injured
1930	24	13	26
1931	15	8	17
1932	24	17	23
1933	19	8	26
1934	22	5	20
1935	24	10	32
1936	20	12	26
1937	27	11	38
Totals	175	84	208

3. Inspections were made of installations in the United States where they have been in use and their efficiency established.

4. In the United States.

5. The board of railway commissioners do not purchase equipment of this nature.

GENERAL DREDGING CONTRACTORS LIMITED

Mr. PELLETIER:

1. Has the federal government given any guarantee or made any promise or agreement of payment to the General Dredging Company Limited?

2. If so, what is the amount of such guarantee, and for what purpose was it given?

3. Has the government paid any money to the General Dredging Company Limited during 1936 and 1937? If so, what amounts have been paid, and for what purpose?

4. Is the government renting any equipment belonging to the General Dredging Company Limited? If so, (a) did any of such equipment formerly belong to the dominion government; (b) what are the terms of rental?

5. How much money has been paid to the General Dredging Company Limited in each of the years 1929 to 1935 inclusive?

Mr. HOWE:

1. No.

2. Answered by No. 1.

3.

Payments	Work concerned—Dredging
* Fiscal year 1936-37 $ 2,117,561 27	St. Lawrence Ship Channel
" " 1937-38 2,061,814 57	" " " "
$ 4,179,375 84	

4. No.

5.	Payments	Work concerned—Dredging
Fiscal year 1929-30	.....	St. Lawrence Ship Channel
" " 1930-31	$ 273,654 54	" " " "
" " 1931-32	1,926,824 17	" " " "
" " 1932-33	2,240,628 46	" " " "
" " 1933-34	2,270,350 00	" " " "
" " 1934-35	4,729,999 87	" " " "
" " 1935-36	5,382,988 49	" " " "
	$16,824,445 53	

SALE OF SOREL SHIPYARD AND ST. LAWRENCE SHIP CHANNEL DREDGING FLEET

Mr. GARIEPY:

1. Since January 1, 1937, has the government sold, in whole or in part, the government shipyards located in the district of Sorel, or the government fleet operating on the St. Lawrence or Richelieu rivers?

2. If so, to whom, when and for what price?

3. Were such sales made after tenders were called?

4. If so, what were the names of the tenderers and the amount of their respective tenders?

5. If only part was sold, what are the details?

6. If the said transaction was made without tenders being called, why were tenders not asked?

7. On whose recommendation was such transaction made?

Mr. HOWE:

1. Yes.

2. (a) General Dredging Contractors Limited; (b) July 22, 1937; (c) $1,708,544.

3. Sale was by a negotiated agreement.

4. Answered by No. 3.

5. Sale included the property known as the government shipyard, together with wharves, buildings and other structures, equipment, machinery, stores, etc., also the vessels comprising the St. Lawrence ship channel dredging fleet, including floating or other equipment, together with their gear, machinery and accessories, also certain surplus marine equipment connected with Montreal harbour.

6. Having decided to go out of the dredging business because of uneconomic costs, it became necessary to dispose of the Sorel shipyard which had been operated chiefly for the repair and maintenance of the dredging fleet. Only one concern was in a position to take over the shipyard and plant, namely, General Dredging Contractors, Limited, who had the St. Lawrence ship channel contract, and the offer of that firm was accepted.

7. On the recommendation of the officers of the marine branch of the department

[Mr. Howe.]

CANADIAN PAVILION AT PARIS EXPOSITION

Mr. LECLERC:

1. What are the names and nationalities of salaried employees who constituted the personnel of the Canadian pavilion at the Paris exposition last year?

2. Did the government make an exhibition of Canadian folk-lore?

3. If so, of what did it consist?

4. What are the names of the individuals who were in charge of this exhibit in the Canadian pavilion and outside?

5. Were these exhibits good advertising for Canada?

6. Did the government receive any complaints from Canadian visitors to the exposition, and, if so, from whom, and of what nature?

7. Is the same exhibit to be shown at the Glasgow exposition this year, and will it be in charge of the same representatives?

Mr. EULER:

1. Oscar Belanger, M.P., commissioner, French Canadian; J. O. Turcotte, exhibition commissioner, French Canadian; J. U. Bayard, building superintendent, French Canadian; Miss Musso, stenographer, French; J. Barada, attendant, Canadian; Miss Gendrau, in charge of information bureau, French Canadian.

2. In the proper meaning of the word, no, but there was an exhibit of the traditional arts and handicrafts of Canada.

3. Semi-precious stones, silver and gold, clay pottery, sculpture, book binding, wood carving, rugs, quilts and Indian work.

4. Madame Juliette Gaultier, French Canadian.

5. Yes.

6. Only two complaints were received by the department from visitors, as follows:—

(1) From W. C. Rean, Toronto, to the effect that the Canadian pavilion was closed at 7 p.m.; (2) from Thomas Dickson, the Hampton Manufacturing Company, Limited, Montreal, who claims to have visited the exhibition one morning and found no one in charge of the building or the exhibits.

As regards the first complaint, it might be explained that out of 40 countries participating, only four kept their exhibits open during the

evening, due to the requirements under the French law of employing a double staff. As regards the second, it is inconceivable that the Canadian building would be without staff at any time.

7. No, as this is an industrial exhibition.

CANADIAN BROADCASTING CORPORATION—EMPLOYEES

Mr. PURDY:

What are the names, positions and respective salaries of the full time employees of the Canadian Broadcasting Corporation?

Mr. HOWE: On Monday last I thought it necessary to advise the house of the parallel between the Canadian Broadcasting Corporation and Canadian National Railways, and to say that, in the matter of each, the government must decline to divulge to the house matters having entirely to do with the internal affairs of the corporation. I stated at that time and I repeat that if any hon. member wishes a committee of the house to call the officers of the broadcasting corporation before it and to ask them to bring any documents that may be required, I shall be glad to recommend to the government that this be done.

LANDS VACATED BY SOLDIER SETTLERS

Mr. COLDWELL:

1. How many parcels of land have been vacated by soldier settlers?

2. What was the total indebtedness against these parcels at time of vacation?

3. How many of these parcels were resold to others, and what was their total sales value?

4. How many of these parcels were disposed of to municipalities free of cost or as gifts?

5. How many of these parcels were disposed of otherwise, giving particulars?

Mr. COLDWELL: Withdrawn.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RETURNED SOLDIER INSURANCE

Mr. LANDERYOU:

1. What are the total number of policies issued by the commissioners of the returned soldiers insurance to persons who have seen service in: (a) France; (b) other war areas in the great war?

2. How many of these policies were cancelled by death of the insured?

3. How many of the above policy holders have surrendered their policies for a cash surrender value?

4. What are the total number of policies that have been issued to persons who never saw service beyond the shores of Canada during the great war, the number of these policies cancelled by the death of the insured, and the number of policies that have been surrendered for a cash surrender value?

5. What are the total number of policies issued to disability beneficiaries, the number of these policies that have been cancelled by the death of the insured?

6. What are the total number of policies issued to persons who never saw service beyond the British Isles during the great war, giving the number of policies that have been cancelled by the death of the insured and the number of policies that have been cancelled by cash surrender value?

ELIMINATION OF RAILWAY CROSSINGS

Mr. MULLINS:

1. How many railway crossings were eliminated each year since 1931, inclusive?

2. Where were they located?

3. What was the cost of the elimination of each of these crossings?

4. Who paid for same, and in what proportion in each case?

MOTIONS FOR PAPERS

WHEAT STATISTICS

Mr. PERLEY:

For a return showing, (a) complete details of that portion of the 1935-1936 wheat crop disposed of by the Canadian wheat board between July 31, 1936, and December 31, 1937; (b) complete details of the disposal by the Canadian wheat board of wheat acquired from the Canadian Cooperative Wheat Producers Limited, from July 31, 1936, to December 31, 1937.

Hon. W. D. EULER (Minister of Trade and Commerce): I am sure that the hon. member for Qu'Appelle (Mr. Perley) will believe me when I say that there is not the slightest intention of withholding from him or from other members of the house any information which can be obtained with a reasonable degree of expenditure of time. I communicated with the chief commissioner of the wheat board with regard to the question, and I have a telegram from him stating that the securing of this information—

. . . involves complete details of sales of approximately 84 million bushels comprising innumerable entries. Tabulation and typing this information is vast undertaking. Our staff working under pressure and will be for next two months preparing for distributing seed and feed grain and if details as requested require be furnished shall have to employ additional staff under supervision heads of departments who are at present busy other work. Cannot estimate how quickly information could be made available. Assure you board have no deside evade responsibility this matter but imperative present full staff must be employed seed and feed work as time before seeding limited.

I read that to indicate that it is a tremendous task to secure this information, and under the circumstances I suggest to my hon. friend that he might drop the question.

Mr. BENNETT: No.

Mr. PERLEY: I cannot see that there is too much detail involved in preparing an answer to this question. A report of the operations of the board in respect to the 1935 crop was issued by the chairman of the board on July 31, 1936. As I remember it, there were some three million and several thousand bushels remaining of the 1935 crop. As the minister has stated, the balance, making up eighty-five or eighty-six million bushels, was taken over from the old wheat board. What I should like to know, and what I think it is quite easy to procure, is the number of bushels, indicating the different grades, and the price at which it was disposed of, in order to find out what would be the balance —a report similar to that which was issued, as the minister knows, on July 31, 1936, to show the final disposition of the balance of the wheat. I do not believe that a report such as was issued on that date would entail very much difficulty. It is not a detailed statement with respect to every man or every firm that bought a bushel of wheat; it is with respect to the number of bushels, the price at which they were sold, and the amount received for the balance.

Mr. EULER: I can only take the motion in the terms in which it is expressed. If the hon. gentleman does not really desire complete details, I suggest that if he could frame a simpler motion which will not entail all the expenditure of time and money that the present motion calls for and will involve, he should do so, and withdraw the present motion and submit another one.

Mr. BENNETT: May I direct the attention of the minister to the fact that the statute creating the wheat board provides that this information shall be sent to the minister, and that it is not from Winnipeg that this is sought; it is the information given in the weekly reports which are sent in and signed by the auditors that should be brought down.

Mr. EULER: My right hon. friend surely does not mean to intimate that all details of the various sales of eighty-four million bushels of wheat come to the minister. They assuredly do not.

Mr. BENNETT: Not all the details.

Mr. EULER: That information is in the possession of the board at Winnipeg, and nowhere else, and the information must be compiled by the board in Winnipeg. I am compelled to accept the word of the chairman who, I think, is perhaps more familiar with the work entailed than anyone else is, and I am accepting his word in that regard.

Mr. BENNETT: Would the minister read the telegram he sent to the chairman?

Mr. EULER: I did not send him a telegram. Just for the information of my suspicious friend—

Mr. BENNETT: Now, the hon. gentleman will withdraw that. There is no reason why he should be thus out of order. Strange as it may seem, he has no right under the rules to say that. I ask the simple question because the rules require that the letter sent should be read as well as the reply. You cannot take one side of it only; and I ask the minister what he asked the Winnipeg people.

Mr. EULER: For the satisfaction of my right hon. friend—and I did not anticipate he would couch his reply quite in the language or the tone in which he did—I may say that when the motion first appeared on the order paper I simply took the leaf out of the order paper, sent it to Mr. McIvor for his comment and made no suggestion whatsoever. I say that in anticipation, perhaps, of something else that might be said.

Mr. BENNETT: No, I did not say "suggestion."

Mr. EULER: I did not indicate in the slightest degree to Mr. McIvor what his answer should be. I will say that in any case. As a matter of fact, I might as well make a complete story of it.

Mr. LAPOINTE (Quebec East): Mr. Speaker, on a question of order, standing order 51 reads:

> Notices of motion for the production of papers which the member asking for the same intends to move without discussion, shall be marked by him with an asterisk and shall be placed by the clerk on the order paper above "Notices of Motions," under the heading "Notices of Motions for the Production of Papers." All such notices when called shall be forthwith disposed of; but, if on any such motion a debate be desired, it shall be transferred by the clerk to the order of notices of motions.

We have been hearing a debate for ten minutes, and I suggest that this motion, if not disposed of immediately, should be transferred to notices of motions.

Mr. BENNETT: The right hon. minister is right, of course.

Mr. SPEAKER: The point that has been raised is well taken. These notices of motions for production of papers are not debatable.

Mr. EULER: At the risk of offending against the rules, I merely wish to say that my proposal to the hon. member for Qu'Appelle (Mr. Perley) was that perhaps he could frame his motion in a simpler way so that it could be accepted.

Mr. PERLEY: I am agreeable to having it transferred to notices of motions.

Mr. SPEAKER: Transferred to notices of motions.

On the motion of Mr. Perley:

For a return showing, (a) a detailed statement of all copies of cash broker's notes of sales made to the Canadian wheat board since January 1, 1937, to date; (b) a copy of all cash broker's notes of all sales made by the board from January 1, 1937, to date; (c) the names of brokers and clearing sheets of options, bought or sold, since January 1, 1937, to January 1, 1938.

Mr. EULER: Exactly the same objection that I raised to the previous motion applies to this.

Mr. SPEAKER: Transferred to notices of motions.

On the motion of Mr. Perley:

For a detailed statement showing the number of bushels of open trades or interest of the wheat board during September 28, 29, 30 and October 1, 2, 3, 4, and 5, 1937.

Mr. EULER: With regard to this motion, the objection seems to be that, as worded, its meaning is not quite clear to the chairman of the wheat board. He does not understand what is meant by the words "or interest," and I suggest to my hon. friend that he draft the motion in such a way as to make perfectly clear what information he desires to obtain.

Mr. PERLEY: I can do that right here; simply strike out those words. I just want to know what were the open trades.

Mr. EULER: That is quite satisfactory.

Mr. RINFRET: According to the rules, the hon. gentleman cannot have three notices of motion under his name, so that if the first one is transferred I do not think it is in order to transfer the other two.

Mr. EULER: This one is not transferred.

Mr. RINFRET: That applies to the second.

Motion as amended agreed to.

On the motion of Mr. Perley:

For (a) statement or report showing amount of durum wheat bought and sold since July 31, 1937, to date, and the price bought and sold at; (b) statement showing amount of sales of durum wheat to Italy, and amount of sales of durum wheat to United States, since January 31, 1936, to date.

Mr. PERLEY: With the permission of the house I should like to amend this motion by inserting the words "by Canadian wheat board" after the word "sold" in the second line.

Mr. EULER: Again at the risk of offending, I suggest that I might answer this question orally: (a) No durum wheat has been bought or sold since July 31, 1937, by the board except for the account of the Saskatchewan government; (b) no direct sales of durum wheat were made by the board to Italy, nor did they make any direct sales of durum wheat to the United States.

Mr. PERLEY: That is quite acceptable, if the minister will agree to give us the amount of wheat sold by the trade to Italy and the United States—the exports.

Mr. EULER: I suggest that my hon. friend put a motion on the order paper.

CANADIAN BROADCASTING CORPORATION

On the motion of Mr. Lawson:

For a copy of all contracts made since November 1, 1937, to date, by the Canadian Broadcasting Corporation or any of its agents on its behalf, with any persons or corporations or the agents of any such persons or corporations for the use of Canadian Broadcasting Corporation stations or chains for broadcasting commercial programs containing advertising originating in the United States, and copies of all papers, letters, telegrams or other documents relating thereto.

Mr. LAWSON: If I might be permitted to say a word, unfortunately when this motion came up on Monday I was absent from the house, and the house kindly allowed it to stand. I have read the utterances of the minister on that occasion. I regret that I cannot concur in the position taken by him, that it is not in the public interest to give this information. On looking into the matter, sir, it would appear—

Some hon. MEMBERS: Order.

Mr. LAWSON: —that it is not a point of order for you—

Mr. DUNNING: Order.

Mr. LAWSON: Well, I raise a point of order. It is very seldom that I offend against the rules of order in this house, and I might have been given the courtesy of being permitted to utter two more sentences. Now I will raise a point of order. I object to this motion being transferred to notices of motions; for if it is it will probably never

come up this session and I do not propose to have the discussion sidetracked. My point of order is that I did not mark my notice of motion with an asterisk and therefore I am not within standing order 51 of the house, which I have read with considerable care. Had my motion originally been placed under notices of motions, where the Prime Minister (Mr. Mackenzie King) so graciously suggested the other day that it might go, I might have been heard in this house. I was merely pointing out to you, Mr. Speaker, that I had come to the conclusion that it was not a matter for your ruling; that the question on which the Minister of Transport (Mr. Howe) and I differ is one for the decision of the house. I desire an opportunity to debate the matter. I am not pressing to debate it now, but I insist that I have an opportunity during this session.

Mr. HOWE: I must repeat what I said on Monday. The Canadian Broadcasting Corporation as incorporated by this house is an autonomous body with its own board of directors and its own manager—

Mr. LAPOINTE (Quebec East): In order to be impartial I must point out that the rule applies to the Minister of Transport as well.

The house divided on the motion (Mr. Lawson) which was negatived on the following division:

YEAS

Messrs:

Anderson	Lawson
Baker	Lennard
Barber	Lockhart
Beaubier	McGregor
Bennett	MacInnis
Betts	MacNeil
Black (Yukon)	MacNicol
Blackmore	Macphail
Brooks	Marsh
Brown	Marshall
Cahan	Massey
Church	Mitchell
Clarke (Rosedale)	Needham
Coldwell	Pelletier
Douglas	Perley
Esling	Poole
Fair	Quelch
Graydon	Rowe (Athabaska)
Hansell	Spence
Hayhurst	Stewart
H aps	Stirling
Hyndman	Tustin
Jaques	Walsh
Johnston (Bow River)	Wermenlinger
Kuhl	White
Landeryou	Woodsworth—52.

NAYS

Messrs:

Barry	McCallum
Beaubien	McCann
Bertrand (Prescott)	McCuaig
Bertrand (Laurier)	Macdonald (Brantford City)
Black (Chateauguay-Huntingdon)	McDonald (Pontiac)
Blair	McDonald (Souris)
Blais	McGeer
Blanchette	McIntosh
Bothwell	McIvor
Bouchard	McKenzie (Lambton-Kent)
Boulanger	MacKenzie (Neepawa)
Bradette	Mackenzie (Vancouver Centre)
Brasset	McKinnon (Kenora-Rainy River)
Brunelle	McLarty
Clark (Essex South)	MacLean (Cape Breton North-Victoria)
Clark (York-Sunbury)	McLean (Melfort)
Cleaver	MacLean (Prince)
Cochrane	McLean (Simcoe East)
Coté	MacLennan
Crerar	McNevin (Victoria, Ont.)
Damude	McPhee
Davidson	MacRae
Deachman	Mallette
Denis	Martin
Deslauriers	Maybank
Donnelly	Michaud
Dubois	Mills
Dunning	Moore
Dussault	Motherwell
Elliott (Kindersley)	Mullins
Emmerson	Mulock
Euler	Neill
Evans	O'Neill
Factor	Parent (Terrebonne)
Fafard	Patterson
Farquhar	Pinard
Ferguson	Plaxton
Ferland	Power
Ferron	Purdy
Finn	Raymond
Fleming	Reid
Fournier (Hull)	Rennie
Francœur	Rhéaume
Fraser	Rinfret
Furniss	Roberge
Gariépy	Robichaud
Gauthier	Ross (Moose Jaw)
Gladstone	St-Père
Glen	Sinclair
Golding	Slaght
Gosselin	Streight
Hamilton	Sylvestre
Hanson	Taylor (Nanaimo)
Hill	Taylor (Norfolk)
Howard	Telford
Howden	Thauvette
Howe	Tomlinson
Ilsley	Tucker
Isnor	Turgeon
Johnston (Lake Centre)	Turner
King, Mackenzie	Veniot
Kinley	Vien
Kirk	Ward
Lacroix (Beauce)	Warren
Lacroix (Quebec-Montmorency)	Weir
Lalonde	Winkler
Lapointe (Matapedia-Matane)	Wood
Lapointe (Quebec East)	Young—140.
Leader	
Leclerc	
Leduc	
Little	

Mr. THOMPSON: I was paired with the hon. member for Mackenzie (Mr. MacMillan). Had I voted I would have voted for the motion.

Mr. SENN: I was paired with the hon. member for Perth (Mr. Sanderson). Had I voted I would have voted for the motion.

Mr. EDWARDS: I was paired with the hon. member for Middlesex West (Mr. Elliott). Had I voted I would have voted for the motion.

PACIFIC COAST INDIANS

Mr. TAYLOR (Nanaimo):

For a copy of all papers, letters, telegrams, reports, recommendations, instructions and other documents exchanged between the Minister of Mines and Resources, the Department of Indian Affairs, and any agent or official thereof, and any other persons with respect to the custom of the potlatch amongst Pacific coast Indians, especially of the Kwawkewlth agency.

When I submitted the notice of motion I requested that it be printed without asterisks. Since then I have had a promise of the complete cooperation of the Indian department and for the moment this motion is dropped.

Mr. SPEAKER: Motion dropped.

BRITISH COLUMBIA AND YUKON TERRITORY

Mrs. BLACK:

For a copy of all orders in council, letters, telegrams, correspondence and documents of any kind exchanged between the government of Canada or any member thereof and the government of British Columbia or any member thereof, with respect to the Yukon Territory, since the 1st day of April, 1937, to date.

THE CUSTOMS TARIFF

MOTION FOR COMMITTEE TO INVESTIGATE APPLICATION AND COLLECTION OF DUTIES AND PRACTICE RESPECTING DRAWBACKS

Mr. J. G. ROSS (Moose Jaw) moved:

That a special committee, the members thereof to be selected at a later date, be appointed to investigate:

(a) The application of the Customs Tariff by the officers and clerks of the Department of National Revenue;

(b) The collection of customs duties;

(c) The practice now followed in applying the present law respecting drawbacks;

And that the said special committee have power to send for persons, papers and records, to examine witnesses under oath, and to report from time to time.

He said: Mr. Speaker, speaking in this house on February 3 I said that the people of this country were being regimented into purchasing their supplies from certain people in the country and at prices fixed in accordance with the ideas of those people. I said that the taxing power of parliament had been turned over to privileged interests, and that prices were being artificially raised in this country in order that certain industries might be subsidized. The levying of taxation is a function of parliament. I say now that through successive changes in the Customs Act and the Customs Tariff the authority of parliament in tariff making has been delegated to a department of the government, and that through rules and regulations laid down by that department an importer of goods to-day cannot discover by reading the tariff act as passed by parliament what amount of duty will be charged upon his goods when they arrive at the border.

As a matter of fact the Minister of Finance (Mr. Dunning), as an importer of goods into this country, would be unable to-day to recognize his own handiwork. An act is brought down in this house purporting to set the rates of duty upon articles imported. By the time the rules and regulations of the department are applied the amount of money collected upon those articles is at a rate entirely different from that set by parliament when the act was passed. I am not here criticizing the Department of National Revenue; I am stating that we in this parliament have delegated to a department of the government the tariff-making powers of the House of Commons, and that the passing of a budget now simply becomes a hollow mockery. No importer of goods can gain any idea, from the act that we pass, as to how much money he will have to pay upon the goods being imported. No member of the House of Commons, no ordinary citizen, can import goods and know what he will have to pay. Even the best customs brokers in this country from time to time have to amend their entries in order to comply with the rules and regulations of the Department of National Revenue.

I say, Mr. Speaker, it is high time we in this house, and more especially the members on this side of the house, looked thoroughly into this matter, so that parliament may again perform this important function in order that the importation of goods may not be unduly restricted and discouraged, which of necessity must engender ill-will towards Canada in the countries to which we export. We on this side of the house were elected on a policy of expanding trade, and in many regards this government is entitled to great credit for having followed that policy up to date. The Minister of National Revenue (Mr. Ilsley also has credit due him for his actions

in this regard, but there is still a great deal of barbed wire to be cleared away before we shall be able to import goods freely.

The principle of protection in Canada has been furthered in many ways. I will set them out under headings.

1. By the raising of the ad valorem and specific duties.

2. By the expansion of the number of items in the customs tariff.

3. By the fixing of values for duty purposes.

4. By the fixing of value for duty purposes in combination with the application of the anti-dumping legislation covering imports that compete with goods made or produced in Canada.

5. By the extended application of the dumping duty.

6. By drawbacks.

Over a period of years, Mr. Speaker, the ad valorem tariff has been raised in this country, and of late a habit has grown up of adding to that a specific tariff which in many cases amounts to more than the ad valorem rate. To some people this may seem to be a painless method, or perhaps it is done only in order to fool the people, who are the voters. In 1903 there were 645 items in the tariff, of which 447 were dutiable and the remainder free. At the present time there are over fifteen hundred items in the customs tariff, some of which are again subdivided. It is sometimes difficult to raise or lower the tariff upon an item which includes many articles. It is much easier to deal with these things if the item is split in order that it may include, perhaps, only one article. Possibly this has been done in order to mete out tariff favours to some people.

Under heading No. 3, Mr. Speaker, the simplest method of raising the tariff is through the raising of the value for duty purposes. At times it is very difficult to get parliament to raise or lower a tariff, but when parliament has passed the Customs Tariff and parliament has given the Department of National Revenue authority under the Customs Tariff and the Customs Act to value for duty purposes, it is a very simple matter to raise the value placed upon the goods to be imported, and thereby raise the rate simply because there are no members there to protest; simply because the people of Canada generally do not know what is going on.

I intend to use a hundred dollars' worth of goods as an example to show the successive changes in the Customs Act and the Customs Tariff. I am assuming that the rate of tariff has not been changed since 1867 I do not intend to place on Hansard all the amendments to the Customs Tariff and the Customs Act, but I ask the minister to be good enough to place these upon the order paper so that we may all know exactly what changes have been made. In 1867, under the Customs Act, the provision which is now section 35 of the Customs Act read as follows:

> In all cases where any duty is imposed on any goods imported into Canada ad valorem or according to the value of such goods, such value shall be understood to be the fair market value thereof in the principal markets of the country whence the same were exported directly to Canada.

These were the qualifying words in the section dealing with value for duty purposes. That was meant to be the export price of goods in the principal markets of the country of origin. A hundred dollars' worth of goods coming in at forty per cent duty would pay $40. In 1883 the Act was amended and the qualifying section then read:

> The value for duty shall be the fair market value thereof when sold for home consumption in the principal markets of the country of origin.

The home consumption value might mean an addition of ten per cent. Therefore, our one hundred dollars' worth of goods would be increased by ten per cent for the home consumption price. The duty value would then be $110 and with a tariff rate of forty per cent, this would mean the payment of $44. The result would be 44 per cent instead of the forty per cent as passed by the House of Commons.

Three changes were made to this section in 1921. The first change was that the value for duty should be determined by the wholesale price in the country of origin. The second change was that in no case should it be less than the cost of production, plus a reasonable amount for profit, and, third, that the minister was to be the sole judge of what that reasonable amount would be. We now have our hundred dollars' worth of goods with an export price of $100, plus twenty per cent for wholesale price, totalling $120. There would then be a profit of ten per cent if the minister did not happen to be a Canadian manufacturer, or probably twenty per cent if he were. The value for duty would now be $144, which at forty per cent would mean a payment of $57.60 or $57\frac{6}{10}$ per cent as against the forty per cent provided for by the House of Commons.

In 1922 the section was amended to introduce exchange rates, and the value for duty was computed and levied under regulations passed by the minister. The rates set by parliament were used only as figures in the determination

of the value. On our hundred dollars' worth of goods the minister's value might be $150. At forty per cent there would be a payment of $60, or a rate of 60 per cent. In 1937 the minister still had the right to determine the value and our example would give the same results.

Section 36 must be read in conjunction with this last section, number 35. In 1907 section 36 set the discount rate for cash that an exporter might allow to an importer. In other words, if an exporter wanted to allow an importer five per cent for cash, the customs department said that that could not be done; that two and a half per cent was the limit that could be allowed in setting the value for duty purposes. In 1930 this section really came into play. Taken along with section 35 it meant that the value for duty of imported goods in no case should be lower than the price to wholesalers or jobbers in the country of origin; that in no case was the value to be lower than the cost of production plus a reasonable advance for selling costs and profit. The minister was to be the sole judge of what that advance should be, and his figures were to be final. This meant that the authority of parliament to set rates had been delegated to the officers of the department.

In 1934 parliament delegated to the governor in council other rights and placed more authority in the hands of the minister and the department. In 1936 this section was amended and the provision that the minister was to be the sole judge was dropped. However, the value for duty was determined by the selling price for home consumption plus a reasonable advance for selling costs and profit. One hundred dollars' worth of goods would have ten per cent added to cover selling costs and twenty per cent to cover profit. This would make the final valuation $132. A rate of forty per cent would mean a payment of $52.80 or 52-8/10ths per cent instead of the forty per cent set by parliament.

This is not all. Customs officials must now be able to determine the production costs in other countries and must be able to state what are reasonable selling costs and what would be a reasonable profit. This is in order that further protection may be given to Canadian manufacturers. The other day I heard a phrase used in this house which sticks in my memory. It was "compensatory adjustments." I should like to know what is meant by "compensatory adjustments." Does it mean that the farmers, the lumbermen, the miners and the fishermen of Canada are to be given the same treatment as the manufacturers of Canada? Does it mean that these people are to be allowed their cost of production with a reasonable advance for selling costs and profit? What a hope that would be, Mr. Speaker! Of course we know it is absurd to imagine that such a thing would be done.

There is no use in endeavouring to spread a disease of this kind in the country. It is now a cancer on the body politic; it is time we put the X-ray on it. That is the reason I ask for this committee. It may take a major operation to correct the disease, but we are fast approaching the point where it will be a question of kill or cure.

Referring now to the fixing of the value for duty purposes in combination with anti-dumping legislation covering imports competing with goods made in Canada, in 1922 an amendment to the Customs Act was passed which gave the minister power to set values for duty purposes and thereby imposed the anti-dumping legislation in order to protect natural products of a class or kind grown or produced in Canada. The purpose of the legislation at that time was to protect growers of fruits and vegetables in this country from undue importations while the Canadian farmers' crops were moving to market. In 1930 this section was amended to cover any goods imported and sold or on consignment under such conditions as would prejudicially or injuriously affect the interest of producers or manufacturers, the minister being given the right to fix the values, and the values so fixed to be construed as the fair market value. Here was the final blow for the importer. He had to guess what the minister and his officials had in their minds and what they would do before he was able to import goods. This amendment was certainly designed and passed to hinder and restrict the flow of trade.

In 1934 the section was amended so that it would not affect empire goods. In 1936 it was again amended, this time to give an importer the opportunity to appeal to the tariff board against the value fixed, but the uncertainties regarding valuation still persist and constitute a decidedly limiting factor in respect to the importation of goods into Canada. By the provisions of this section the minister may fix the value for duty of any goods and his valuation shall be the fair market value. Under this section, in 1937 the minister was given authority to make regional tariffs on fruits and vegetables, and under this section also there was brought down an amendment which, as I read it, certainly amazes me. It is section 43a(1) of the Customs Act:

All values for duty heretofore fixed by or on a basis or by a method prescribed by the minister or the commissioner of customs—

Mark those words.

—or the assistant commissioner of customs, acting or purporting to act pursuant to the provisions of section forty-seven A of the Customs Act, chapter forty-eight of the revised statutes of Canada, 1906, as enacted by section three of chapter eighteen of the statutes of 1922, or of section forty-three of the Customs Act, chapter forty-two of the revised statutes of Canada, 1927, or of section forty-three—

And so on with different sections. In other words this was an admission to parliament that although parliament had delegated powers —the widest kinds of powers—to the national revenue department, when they were given those powers they did not stay within them, and the minister had to come to this house and have an amending section passed to sanction the actions of the officials of the department and clothe them with the authority of parliament. Under this section our one hundred dollars' worth of goods becomes whatever the minister, the commissioner of customs or the assistant commissioner of customs wishes to increase it to.

In conjunction with all these sections of the Customs Act there is section 6 of the Customs Tariff, which is the anti-dumping legislation. It first made its appearance in 1904. It was placed there for the purpose of protecting Canadian manufacturers against actual dumping based on the then Customs Act, which placed the value as the value for export in the country of origin. It could not at that time be placed against the free list but only against dutiable goods, and at that time, if any article carried a tariff or combination of tariffs which amounted to fifty per cent ad valorem, the dumping duty could not be applied at all. Besides, it was limited to fifteen per cent as an advance for duty purposes.

In 1907 this section was changed to apply to the free list as well as to the dutiable list. In 1930 a major revision of section 6 of the Customs Tariff took place, which altered the whole basis of tariff making in Canada. This section overrides the whole Customs Act and Customs Tariff in the addition of values and the application of the dumping duty. The increased valuation for duty purposes now becomes proof of dumping, and superduties are imposed. The imposition of an ad valorem tariff of fifty per cent, which previously had exempted the article, was thereby cancelled. The maximum advance for duty purposes of fifteen per cent became fifty per cent. If the invoice for goods to an importer were less than the fair market value of the same article when sold for home consumption in the country of origin, or less than the fair market value as determined under sections 36 and 41, or less than the fair market value fixed under sections 37 or 43, a dumping duty was applied equal to the difference between the invoice price and the fair market value so fixed. In other words, the definition of dumping was altogether changed. Once the department said that the value should be higher, immediately and automatically the dumping duty came into play.

Now take our example, one hundred dollars' worth of goods. Parliament says the tariff rate shall be forty per cent. Value fixed, $200; duty at forty per cent, $80; dumping duty, fifty per cent of the increase, $50, a total of $130, or 130 per cent. Remember also that the import excise tax of three per cent goes on the whole amount of $230 and becomes seven per cent instead of three per cent, making it $137. Add that to the original value of $100 and you have $237 upon which the eight per cent sales tax is computed, instead of $140 as parliament intended it to be.

In 1936 this section was amended to determine what were made in Canada goods. It was established that thenceforth not less than ten per cent of Canadian consumption must be produced in Canada before goods could be classed as made in Canada goods. But, Mr. Speaker, we are still in this position, that one hundred per cent of the consumption of these goods manufactured in Canada must be charged higher prices because the duty must be raised and dumping duties applied in order to protect ten to fifteen per cent of the production which is made in Canada.

Under this protective tariff system we have a system of drawbacks on goods for reexport, and it has the effect of defeating the protection given to certain Canadian industries who produce goods needed by other Canadian manufacturers for their finished articles. The Canadian manufacturer wants protection only one way. He does not want to pay for it on anything he has to buy; he wants it to be paid only on what he has to sell. Therefore when certain goods are purchased by the manufacturer which go into the production of goods that are to be exported, instead of buying from the Canadian protected manufacturer he buys the goods from some other country and claims and receives a drawback thereon.

In addition, there are drawbacks on home consumption goods. You will find several pages of them at the back of the Customs Tariff. These are used in order that some manufacturer in Canada who is producing articles which are not protected, articles which

are on the free list, may be able to import goods that are protected and use them in his own goods which are not protected; or it may be that there is a lower tariff on the finished article made in Canada, than there is on the partly finished article entering into its manufacture. Therefore the drawback is allowed in these cases.

But, Mr. Speaker, there is another use for the drawback: when the Minister of Finance lowers the protection on the finished article to the Canadian manufacturer, he can return to him a large part by giving him a drawback on imported goods that enter into the manufacture of home consumed goods. Under these circumstances under our protective system it is the greatest wheedler who gets the drawback.

We should look into this matter also to determine whether all the drawbacks that are claimed and paid should be claimed and paid. I contend it is a pretty difficult thing to determine whether the conditions set before the department are really the true conditions, and what brings that to my mind is evidence that came out in regard to certain gentlemen engaged in the textile industry who came to this government and told them they were going to be swamped by the importation of certain goods, and it was found out later that no such condition obtained.

In conclusion, the purpose of my resolution is to prove to parliament and the country that parliament has delegated to departmental officials important taxing powers of parliament, and that this procedure is not in the best interests of the people of Canada.

I ask for a committee for the purpose of bringing before parliament practical men engaged in the importing business to show from their records and from their statements under oath whether or not this delegation of power has had a bad effect on the business life of the people of Canada; to what extent it has raised prices on home manufactured goods to the consumer, and to show that it has lowered the purchasing power of the consumer.

I say to the Minister of National Revenue that the Customs Act and the Customs Tariff have placed upon his shoulders a responsibility that should never have been placed upon the shoulders of any man in Canada. Parliament, through these acts, sir, has directed him to see that the interests of certain Canadian producers or manufacturers shall not be prejudicially or injuriously affected by the importation of goods. There is not one word of direction in those acts in regard to the interests of the great consuming public. These directions defeat the aims of democracy, they take away majority rights and substitute therefor privileges for a small minority. They take from one section of Canada and give to another. They are the negation of freedom; they are the negation of liberalism; they are the means of regimentation of the people; they are the cause of a lower standard of living throughout Canada. They are the main cause of unemployment in the great basic industries of this country. They are unduly restricting and unduly complicating the import and, thereby, the export trade upon which the large percentage of our people live. They maintain prices of imported goods and eliminate healthy competition from abroad, which creates an artificial price level in Canada. They hinder, delay and discourage the flow of imported goods. They cause ill-will toward Canada in the countries where we hope to sell large quantities of our farm products and the products of our mines, forests and fisheries.

These acts are older than some of the infant industries which they are framed to protect ad infinitum.

It is time, Mr. Speaker, that this parliament looked into these matters. It is time we closely considered revamping these acts and making them conform with conditions and needs of the year 1938. Let parliament take back the powers that have been delegated to departmental officials.

As a member of parliament I protest against this way of carrying on the country's business, and I ask parliament to consider this resolution in the best interests of the people of Canada.

Mr. MALCOLM McLEAN (Melfort): In rising to second this resolution, Mr. Speaker, I am sure it is entirely needless for me to say that there is no intention on my part—and I know there was none in the minds of those who framed and put the resolution on the order paper—to reflect in any way on the minister (Mr. Ilsley) or his officials, or on their integrity, their intelligence and sense of fair play. Particularly would that not be the case in reference to a minister who during the past few years has made for himself a record which probably has not been excelled by any other minister of the crown administering the customs department since confederation. Every member of this house knows something at least of the burdens that have been cast upon his shoulders, which, as the hon. member for Moose Jaw (Mr. Ross) has said, should never have been placed on the shoulders of any one man in Canada.

So far as the officers of the department are concerned, I have less acquaintance with them, but I am just as well satisfied that they are doing everything to the best of their ability to carry out the system under which they are working.

The department that we are asked to investigate is something like Topsy in Uncle Tom's Cabin. It never was made; it just "growed." And the hide-holes and all the rest of it grew up along with it as a result of conditions about which it is needless to speak at the moment.

My opinion with regard to matters of this kind is that it should not require a special motion or resolution of the House of Commons to ensure investigation of departments from time to time. I believe that every department should be subject to investigation by the House of Commons at regular intervals in order to familiarize members with the conduct of business in the various branches of government, to familiarize the heads of departments with the intent of parliament and to familiarize the country with both. It would also enable us to get the reaction of the country to the conduct of affairs if such investigations were carried out openly by members of parliament. I submit that it should be done, and I believe that the time is coming when it will be done.

When the hon. member for Melville (Mr. Motherwell) was Minister of Agriculture he did everything he could in this house, everything that lay within his power, to bring about a thorough investigation by the House of Commons of his own department, from year to year. I remember sitting where I am now and listening to the minister, as he then was, putting through his estimates. Opposition members would call "Carried" and I remember the then minister saying, "No, t is not carried, and it is not going to be carried until more is told of the work of this department, because this is the only occasion on which that work can be made known to the country."

I suggest that there is no reflection on any department of government in the request for an investigation from time to time for the purpose of familiarizing members of the House of Commons with the detailed operations of that department. In the past twelve years, that is to say, since I first entered this house, and in the intervening years during my absence, I have not known ten per cent of the members of the house, including myself —and I have a fair acquaintance among the members—who were familiar with the detailed workings of the department which we are discussing at the moment. I remarked this to one of my colleagues this morning and he said that I would be safe in cutting the percentage down to five or even less. This is an extremely important department. I do not believe there is another one that touches the people more closely or one with which they are more concerned, except, possibly, the Department of Justice. Some people may think it strange that I should rate these two departments as I do, but in my opinion the Department of Justice is, if anything, the most important of all the departments inasmuch as it so closely affects the life and liberty of the subject. I repeat, the collecting of revenues, and the opportunity to assist or to hinder industry as the case may be, make this an extremely important department.

I will not discuss the question of revenues at the moment, but if I have time later on I will touch upon it. I find, however, that there is considerable bewilderment in the country on the part of some would-be importers with regard to what they have to pay for certain goods, the classification of those goods, and charges and so on. I submit that it is time that the state of uncertainty in this connection was removed. Some years ago I had an inquiry from a would-be importer who wanted to bring in a certain article from the United States to Vancouver. I took the matter up with the department and could not possibly get a rate that would be satisfactorily definite to this man. This was many years ago but I am satisfied that the same condition has prevailed more or less in the years in between. This fact is a source of trouble to a great many people, particularly those in the primary industries. By primary industries I do not mean the farmers of any particular type but all the primary industries, because they are all affected by the customs tariff in the conduct of their business. Of course, this department touches every individual in his purchase of goods.

I am told sometimes that it is better to hide taxes, to cover them up so that the people will not be conscious of what they are paying; but in the process they grow immensely, just as some plants do when you cover them up. If you cover certain plants with the proper material and leave them under proper conditions as to temperature, air and humidity they grow very fast. These charges in connection with the tariff grow apace pretty much in the same way, and for that reason the Chancellor of the Exchequer in Great Britain was right when he said, "I could tax the shirts off the backs of the people of these islands and they would never know what was happening to them if I were allowed to do it by indirect means."

As regards added charges such as I have mentioned, I will not go into any details but I have here a page from one of the oldest newspapers in Canada, the Montreal Daily Herald, of Thursday, November 18, 1937. I find quotations on various cars blazoned all over the page. I will quote a few to show what the tariff does to the people and how important are the operations of the Department of National Revenue. What I am about to quote will convince the house, I believe, of the importance of knowing the workings of the department. There should be no room for suspicion in the mind of anyone that any charge is being made in that department except such as is sanctioned by the parliament of Canada.

I will take one or two motor cars, not manufactured in Canada, at any rate so far as I know. For the Cadillac V-8, 60 type, touring sedan, the price quoted at the New York motor show held not long ago was $2,085, while in Canada the Montreal price was $2,450, according to this reputable newspaper. For the LaSalle V-8 coupe, two passenger, the price in New York was $1,300, and in Montreal $1,890. I do not believe that that car is made in Canada. I am taking the prices at random. Take the Hudson Six types. For the coupe, three passenger, the New York price was $909, and the Montreal price $1,255. For the custom eight touring brougham, capacity six, the New York price was $1,155, and the Montreal price $1,565. The Chrysler, a favourite Canadian make, is quoted at the New York show at $918, while the Montreal price was $1,230. These prices are for the business coupe. The coupe is $963 in New York, and $1,301 in Montreal.

An hon. MEMBER: That is for a used car.

Mr. McLEAN (Melfort): If the $1,301 is for a used car it is still worse. The car will give good service, there is no dispute about quality with respect to these cars, the question is one of price. Take the Chrysler Imperial Eight types. The business coupe, capacity two, was $1,123 in New York, and $1,559 in Montreal.

It might be fair to touch on some of the more commonly sold cars, because, after all, these prices affect a good many people. Let us take the Chevrolet. The Master town sedan was quoted at Plattsburg, New York, at $732, and the Montreal price is $1,040. The coupe de luxe at Plattsburg is $775, and in Montreal $955. I find here a car described as the universal car, a new Ford. The price in Plattsburg of the standard coupe, 85 horsepower, is $688, and in Montreal, $867. The 4-door sedan de luxe, 85 horsepower, five passenger, is $836 in Plattsburg and $1,052 in Canada.

There are many others I could quote; the difference in price is pretty much the same. I will not take up time reading more prices, however. I will simply observe that the people have to face these vast differences, while in many instances the goods they import are of a kind not made in this country. We must all realize, I am sure, how important it is to this house to know the workings of a department of this kind; they should be thoroughly understood, both inside and out. Such a department should live in a glass house open to the public, so that the people might become familiar with its operations. There would then be no room for suspicion, and no one would fear that conditions not sanctioned by parliament existed.

There is another consideration. It is important for Canada that the maximum amount of revenue be collected by the department. Someone might tell me that the argument that the department should collect as much as possible is a strange one for me to use. I say it is important that the maximum revenue be collected. I know of only one way to bring that about, that is to allow the business to increase to its natural maximum, not to put any difficulties in the way. Everyone knows there is a maximum point, which is reached when conditions are mutually satisfactory. A lowering of price may bring more profit, but prices may be lowered too much and so a loss entailed. But there is always a point where price and cost and bulk of sales coincide to ensure the highest profit or the highest revenue. For that reason I believe this matter should be checked up very closely.

I have in my hand an official document, the report of the proceedings of a committee of the house, from which I should like to read three paragraphs. It is the report of the special committee on farm implement prices which sat last year. At page 1295 it says:

> 20. That regulations of the Department of National Revenue, under the above provisions, have resulted in the inequality of treatment of importers of a like class and that the whole matter should be the subject of survey by the minister of that department.
>
> 21. That these regulations have resulted directly and indirectly in the retention in the United States of profits arising out of the operations in Canada of certain United States companies and that these profits have been subjected to income tax in the United States instead of in Canada.

22. That indirectly this retention of profits in the United States affected the price level of farm implements in Canada as the true profits arising out of their Canadian operations were not properly appreciated by the United States companies.

Two things have happened; prices of farm implements have been held at a higher level than they might otherwise have been, and revenue that should have been collected in Canada was collected in another country, a very undesirable condition of affairs.

I believe that a very interesting statement which I read the other day is true. It is found in a book by Albert Edward Wiggam entitled Marks of an Educated Man. The writer says:

> The highest possible philanthropy and program of social welfare and moral uplift is the scientific organization of business. I think it is. We are in a business world, and when that business is badly organized everyone suffers. When business is efficiently organized everybody benefits.

I have not said that the business of this department is badly organized; but in view of what has taken place, I say it should be investigated by the house. The other day when the hon. member for Moose Jaw (Mr. Ross) was advocating in the house a regional tariff under the Department of National Revenue there was a good deal of opposition expressed in a nice way to that proposal. But we have had now for some years a regional tariff or a system of regional tariffs in Canada. I think it is the right hon. leader of the opposition (Mr. Bennett) we have to thank for that; I believe it was during his administration that regional tariffs were first adopted. Whether that is so or not, the principle has been adopted that not all tariffs are suited to conditions everywhere in this country. It is true that at the present time the regional tariff is confined largely to natural products; but there is no reason why, once the principle is conceded, it could not be extended along other lines.

Let me refer for a moment to other difficulties, other anomalies in the administration of the tariff. At page 948 of the proceedings of the committee on farm implement prices the witness, an official of the department, who was trying his best to give that committee a picture of things as they are, was asked:

> Q. There has been no change since that time?
> A. No.
> Q. For Massey-Harris, that constitutes the position to date?
> A. To date, the present ruling on which Massey-Harris are importing.

> Q. As compared with International Harvester Company—International Harvester Company get a twenty-five per cent discount on implements?
> A. Right.
> Q. On tractors International Harvester Company get what?
> A. Twenty per cent on all tractors except model WD40 on which the discount is twenty-five per cent.
> Q. And on repairs International Harvester Company get what?
> A. Repairs to above machines, consumers' list price less discount of thirty-five and twenty-five.
> Q. What would that net? Will you figure that out, please?
> A. Fifty-one and one-quarter per cent.
> Q. As compared with the net which you gave us of 42·62?
> Mr. Macdonald: What you are talking about there, about the reduced price, the discount is 49·75.

That is said by one member of the committee. Another member said, "No." The witness answered, "fifty-one and one-quarter." Counsel for the committee said, "The discount is fifty-one and one-quarter."

> Q. That is International Harvester Company?
> A. Yes.
> Q. And the Massey-Harris figure, net, you gave a few minutes ago was what?

And the answer was, "42·62," as against 51¼ in the case of the other company. I shall read a paragraph or two more in order to indicate how that difficulty came about. Counsel for the committee asked:

> Q. I must confess, Mr. Hooper, I do not follow you. If you take Massey-Harris Company in Canada, they allow their dealers a less commission than the International Harvester Company for the reason that the Massey-Harris absorb some of the local freight from the dealer to his customer. The International Harvester Company do not. They expect the dealer to take care of that unless he can pass it on to the farmer. So that their discount allowed by a company, but which is less than another company, is usually compensated by some other feature of the contract. Why would the department make a distinction between Massey-Harris and the International Harvester Company on a tractor or an implement or a part of either of equal quality value? Why should there be any difference at the port of entry when the Massey-Harris present, let us say for the purpose of argument, to bring it out clearly, a binder of equal quality value? Why should there be any difference in the basis on which that binder enters Canada in the percentage of fair market value of that binder in the United States?
> A. The answer to that is, I think, that in 1935 the International Harvester Company became aware that that portion of the law requiring the value for duty purposes to be no less than the wholesale price had been repealed, and they requested the department to study their situation and consider whether a greater discount could not be given than the one under

which they were operating. That study was made, and the discount was established at twenty per cent off dealers' price and subsequently to twenty-five per cent. The Massey-Harris Company did not request any lower value for duty purposes than they had been operating on since 1917 and did not ask for any better discount than they allowed in their own sales in the United States, and we have accepted the price at which they sell to others in the United States as establishing the value for duty purposes.

Q. With the result that the department, while it changed its policy, or the basis on which it applied the existing law to the International Harvester, did not think it was their duty to pass that on to other members of the industry as a general ruling rather than a specific ruling applying to only one company?

A. No, we did not; and only now the department has lately under consideration a system whereby we would give one ruling to the entire industry. That has been the policy which has been advocated in the department, but it has not yet been approved. It would be a departure from the procedure of years.

Q. You see what a very great weapon is placed in the hands of the administrative department of the government?

A. Oh, yes.

Q. You can see that?

A. I quite see that.

That bears out what I said, that it would be a departure from the procedure of years, that this was not framed specifically to do things it was meant to do, but, like Topsy, it "just growed."

I should like to continue with many more extracts of the same nature to prove to the hilt the contention we are making, that it is time to bring about a change in matters of this kind. I shall read just a few lines more from the proceedings before the same committee sitting the next day to that from which I have quoted. A request for information by correspondence was put in, and I want to say that the officials of the department had, probably rightly, refused to bring it in, but the minister saw that whatever was requested by the committee was promptly placed before it. I want to thank him now as I did then for his cooperation with the committee at every stage of the inquiry that we were conducting. But a matter of rubber tires for tractors came up, and the witness did not have the correspondence with him on the night in question. So on March 30, as reported at page 995, an explanation was given as to changes affecting rubber tires. The following letter was addressed to the chairman of the committee:

In respect to rubber tires for use on internal combustion traction engines, concerning which I gave evidence before the committee on Wednesday the 24th instant, I may state that these articles were first ruled as admissible as complete parts of the tractors on the 28th March, 1933. A copy of this ruling is attached. This carried on until June 1936, when the ruling was changed classifying such rubber tires under tariff item 618b.

The committee has asked what brought about the change in the ruling. In this connection, after going over the files, and discussing the matter with the commissioner of customs and the dominion customs appraiser, I find that in the latter part of May or early in June, 1936, the commissioner of customs was interviewed with respect to this ruling by Mr. Berkenshaw, sales manager of the Goodyear Tire and Rubber Company Limited, and Mr. A. R. Caldwell, customs manager of that company. I believe the commissioner was also interviewed subsequently by either one or both of these gentlemen. The commissioner was unaware of the existing ruling and after examining the tariff files containing the ruling was of the opinion that the ruling was not correct, that the articles were more definitely covered by the provision in tariff item 618b for rubber tires, and changed the ruling in a letter to the Firestone Tire & Rubber Company of Canada Limited, dated the 10th June, 1936, file No. 181155. I am herewith submitting copies of representative departmental letters on this matter, including the letter to Firestone Tire & Rubber Company of Canada Limited and previous letters on the subject. There are, of course, other letters but they are all of a similar nature.

I want to point out that the date on which that change was made is significant. Apparently the minister was not aware of it; there is nothing said about that, though naturally he will feel obliged to take responsibility for it. Later on, in answer to questions by myself, this is the evidence that was given:

Q. I am referring now solely to farm tractors, free of duty, coming in with iron tires. Now, later on the manufacturers put on rubber tires?

A. Yes.

Q. Was there any difference made at any time at the beginning with regard to the importation of rubber tired tractors?

A. No. From the first time the question arose the department ruled that the big low-pressure tires that were adapted only for use on tractors were a complete part of the tractor.

Q. That was always free?

A. On the ones under $1,400.

Q. Yes, of course. Then, later on when they began importing tires for repair purposes, for replacement purposes, were they free at any time?

A. The same situation followed through.

Q. What made the change that caused the appeal to be made to the Tariff Board?

A. Well, the department in its wisdom decided it might not be right and they changed.

Q. First, they decided they were free?

A. Yes.

Q. And then they decided they were dutiable, and then an appeal was made to the tariff board, and the result of that appeal was respected and they were brought in free?

A. Yes.

Q. When would you say that the change was made from free to dutiable?

A. I think it was in June, 1936.

Q. June, 1936, that they were made dutiable?
A. Yes.

Q. Will you tell me how the department made up its mind or came to that conclusion?

A. Well, the tire item is not what we call an n.o.p. item. That is items which are general items and which are not all inclusive. The abbreviation "n.o.p." means "not otherwise provided for." We have an item 618-B which reads, "tires for vehicles of all kinds" without that abbreviation "n.o.p." And after we reviewed the case we decided that maybe we were not right; that it was a specific item and that the tires were actually specifically provided for there and we accordingly changed our ruling.

Q. Would you mind answering me two questions in that respect? I should like to know who made the first ruling and who appealed against that ruling, how the appeal came to be made that led to the reconsideration of the item, and then who made the item dutiable without apparently getting a legal interpretation, or if you did get a legal interpretation from the justice department, I should like to know the history?

A. We did not get a legal interpretation.

So a ruling that had held for some years was thrown into the discard apparently because a representative of a tire and rubber company came along and convinced the department that that should be done. A little later in the same day the question as to how this came about was still being gone into. The witness was not quite sure; but a former minister of trade and commerce, the present hon. member for Kootenay East (Mr. Stevens) was a member of the committee, and he said:

I think we can get at it, a blind man almost could get at it; one of the tire companies applied for it. I don't suppose there is any doubt about it. Bring the record and let us see it. I think Mr. McLean has put his finger on a very important thing. What right has the dominion appraiser or anybody else got to change an existing practice established under a law made by parliament?

The greatest significance there lies in the fact that at the time, in June, 1936, when that change was made by the commissioner and the customs appraiser, at the request of an official of a tire and rubber company, this house was sitting. Hon. gentlemen were here, and they had authority to deal with the matter, if it was considered necessary that that should be done. The result of changes of this kind means that a bureaucracy is growing up in our country. Our people do not trust bureaucracies. They have the wisdom of centuries behind them in refusing to do so, because under bureaucracies changes can be made otherwise than in the full light of day. This is bad for the country and bad for the morale of the officials. I am satisfied that it is bad for administration and, as the hon. member for Moose Jaw (Mr. Ross) said, it puts an intolerable load on any minister of the day.

I hold in my hand a few thoughts along that line written by one of the most prominent men of Great Britain which, however, I am not going to read at length. Lord Hewart of Bury is the author of a book entitled The New Despotism, and hon. members would find their time well spent if they looked over some of the arguments contained therein. Lord Hewart deals with an act of parliament that was passed in 1925, which gave to the minister in charge of municipal affairs—that is not his correct title, of course—power to remove, by order, any difficulty which might arise in the application of the act, together with other powers. Lord Hewart points out that the case would have to be serious before any minister would actually undertake to use such powers; nevertheless those powers were given to a minister. The learned writer of the book thought it quite extraordinary that parliament should confer that power on any minister for a period of four years. As the hon. member for Moose Jaw has shown, this power has been growing in Canada since confederation, and is not limited to any particular period. The court in Britain before which an action arising under the act was heard, made this reference in its unanimous judgment:

This I think, though I say it with some hesitation, may be regarded as indicating the high water mark of legislative provisions of this character. It is obvious that if this court had taken another view of the case presented to us to-day and had decided to quash this order as having been made ultra vires, the minister might to-morrow, under the provisions of section 67, have arrived at the same end by making an order and removing the difficulty.

Then Lord Hewart went on:

Now it will probably be admitted that matters must have gone rather far before a minister thought fit to propose, and parliament, either deliberately or by inadvertence, consented to approve a scheme that empowered a government department, on grounds of expediency, to make departmental orders modifying the provisions of the statute which conferred the power. A little inquiry will serve to show that there is now, and for some years past has been, a persistent influence at work which, whatever the motives or the intentions that support it may be thought to be, undoubtedly has the effect of placing a large and increasing field of departmental authority and activity beyond the reach of the ordinary law. Whether this influence ought to be encouraged, or whether it ought rather to be checked and limited, are questions into which, for the moment, it is not necessary to enter. But it does at least seem desirable that the influence itself should be clearly discerned, that its essential nature and tendency should be quite

plainly exhibited, and that its various methods and manifestations should not be allowed to continue and multiply under a cloak of obscurity.

And mark this, Mr. Speaker:

The citizens of a state may indeed believe or boast that, at a given moment, they enjoy, or at any rate possess, a system of representative institutions, and that the ordinary law of the land, interpreted and administered by the regular courts, is comprehensive enough and strong enough for all its proper purposes. But their belief will stand in need of revision if, in truth and in fact, an organized and diligent minority, equipped with convenient drafts, and employing after a fashion part of the machinery of representative institutions, is steadily increasing the range and the power of departmental authority and withdrawing its operations more and more from the jurisdiction of the courts.

Later on, dealing with very much the same thing, he adds:

But other considerations apply if a mass of evidence establishes the fact that there is in existence a persistent and well contrived system, intended to produce, and in practice producing, a despotic power which at one and the same time places government departments above the sovereignty of parliament and beyond the jurisdiction of the courts. If it appears that this system springs from and depends upon a deep seated official conviction, which in turn it nourishes and strengthens by each successive manifestation of its vigour, and this, when all is said and done, is the best and most scientific way of ruling the country, the consequences, unless they are checked, must be in the highest degree formidable.

That there is in existence, and in certain quarters in the ascendant, a genuine belief that parliamentary institutions and the rule of law have been tried and found wanting, and that the time has come for the departmental despot, who shall be at once scientific and benevolent, but above all a law to himself, needs no demonstration. There is an agreeable story, not too old, of a distinguished Anglo-Indian civilian, who, returning home on leave after a prolonged absence, passed the houses of parliament on his way from Victoria to Charing Cross. "What place is that?" he asked. "That, sir," was the answer, "is parliament—the houses of parliament." "Really," he exclaimed, though his exclamation was in fact slightly different, "does that rubbish still go on?" Everybody knows the frame of mind, and everybody has met some of the teachers in that school.

But another aspect of the matter is illustrated by a well known conversation which took place, not so many years ago, between a distinguished treasury official, if the epithet is not tautologous, and the Chancellor of the Exchequer. It happened that matters had not gone quite smoothly in the House of Commons that evening. The departmental specialist was not, for once, able to say to his chief, after the rising of the house, with that air which as nearly approaches a tone of triumph as official decorum permits, "well, sir, we have got our clauses." What he did say was that he wondered whether all this palaver was really necessary. After all, what was the good of the House of Commons? And how perfectly useless was the House of Lords! Why should the work of the expert be always at the mercy of the ignorant amateur? Why should people be allowed to try to govern themselves when it was manifestly so much better for them to be governed by those who knew how to govern? "Seriously," he asked, "could not this country be governed by the civil service?" "Undoubtedly it could," replied the Chancellor of the Exchequer, "undoubtedly it could. And I am quite sure that you and your colleagues would govern the country remarkably well. But let me tell you this, my young friend: at the end of six months of it, there would not be enough lamp posts in Whitehall to go round."

I know that officials of the Canadian civil service do not look on the public business of Canada in that way, nor do they take that attitude towards the House of Commons, but there is always a possibility of bureaucratic methods developing when there is more or less of a mystery about rulings made by departments. With the multitude of rules and changes and classifications in the work of this department, it is possible that that is what might happen. It is all important for this country, from the standpoint of trade and industry and revenue, that there should be no suspicion of that kind. It is too important that the people of this country should retain their faith in democratic government wherein all the people are represented and wherein all the members of parliament take part in making the laws. For this and other reasons, I second the motion which has been proposed.

Hon. J. L. ILSLEY (Minister of National Revenue): Mr. Speaker, I appreciate the tone of the two speeches that have just been made in support of this resolution. On reading the resolution some time ago I thought that possibly an attack upon the administration of the department was to be made, but hon. members who have addressed the house have made it abundantly clear that they have in mind defects in the system rather than the administration of the system by the department. I am pleased that that is the case because, having had two years' experience as the head of the Department of National Revenue, and having worked with the senior and other officials of the department, I have no hesitation in paying them a sincere tribute for their efficiency, for their honesty and for their integrity and bona fides. I have come in contact with many hon. members of the house in connection with departmental matters and also with many members of the business public of Canada and I think it is safe to say that the Department of National Revenue now commands and has

commanded for years the respect of the business and industrial communities of Canada.

I should like to make a few observations with regard to the criticisms of the system that have been made by the mover of the resolution. I believe the house realizes that this is an intricate and difficult subject with which to deal. I am afraid it is also a dry subject and that being the case I do not intend to read any of the sections of the act or any of the regulations passed under the provisions of the act. I want to express in the simplest possible language—language that will be understood by laymen generally—the principles that underlie the Customs Act.

The officials and the minister of the Department of National Revenue have to do with two difficult classes of problems, that is, with valuations and classifications. The mover of the resolution referred mainly to valuations, while the seconder had something to say about classifications. Needless to say investigations must be made and decisions rendered from time to time by the senior officials and the minister in classifying goods under one or another of the items of the customs tariff and in valuing goods for duty purposes. I do not know of any system of customs administration that would get rid of the necessity of these departmental decisions.

For instance, take one matter referred to this afternoon by the seconder of the resolution. He referred to the classification of rubber tires for tractors. In this connection representations had been made to the department, and the senior officials, in the course of their respective duties, were convinced that a mistake had been made. They altered the classification, just as has been done from time to time in connection with other items. Otherwise it would be impossible for the business of the department to go on. An appeal was taken from this decision to the tariff board and the tariff board supported the decision in part and reversed it in part, and the matter was settled. The case was a fairly normal one, and I do not know of any system of customs administration in the world which would do away with the necessity of decisions of this kind being made by departmental officials.

I want to refer now to valuations. The basis of our system of valuations is a rule which has been established in this country since at least 1883, that the value for duty purposes shall be the fair market value of the goods, when sold for home consumption, in the market whence they were imported. I know that many Canadian people believe that the ad valorem rate is reckoned upon the cost of the goods imported. They think that if goods can be bought for one dollar in another country and the rate of duty is twenty per cent, the duty will be twenty cents. That is an inaccurate way of stating the case. The basis of our valuation for duty purposes is not the invoice price, not the cost; it is the home market value. As I say, this has been the case for the last fifty-five years, and I believe the same rule applies in other countries. If this is to be continued as the basis of our customs valuations, it then follows that investigations must take place and decisions be arrived at as to what is the home market value.

Mr. HOWDEN: What does the minister mean by "home"?

Mr. ILSLEY: I mean the value in the country of origin, the country whence the goods were shipped at the time they were shipped to Canada. This is defined very precisely in section 35 of the act.

Mr. HEAPS: Is that the selling price at home?

Mr. ILSLEY: It is the fair home market value.

Mr. HEAPS: Would that be the selling price?

Mr. ILSLEY: It is not necessarily the selling price, as I shall explain in a minute. In perhaps ninety-five per cent of the cases the home market value would be the invoice price, but there are some cases in which the two prices would not correspond. There are of course levels of prices in the home market, but that opens up another question into which I did not think it would be necessary to go this afternoon.

Mr. COLDWELL: Does that also apply to valuations made on used cars coming into Canada?

Mr. ILSLEY: Used cars are prohibited.

Mr. COLDWELL: When they do come in.

Mr. ILSLEY: With the hon. gentleman's permission, I will ask the house to keep in mind section 35, which contains the rule to which I refer and which is the basic, fundamental rule of customs administration. There are two or three other sections, 36 and 41 and 43, which the house might also bear in mind. Sections 36 and 41 are subsidiary to section 35 and really are designed to carry out the purposes of section 35. Section 36 provides that the value for duty shall not be less than the cost of production in the country of

origin, plus a reasonable advance for selling cost or profit. That section is based upon the theory that the selling in the home market at less than cost of production plus reasonable advance is a temporary selling, a distress affair, a practice which if continued will put those selling the goods into bankruptcy and should not be accepted by this country as the fair home market value. That is the purpose of section 36. In the administration of that section, if the department receives a complaint that goods imported into this country are being purchased at less than the cost of production plus a reasonable advance, it is necessary for the department to make investigation as to the cost of production in the country of origin, prepare a report and then, possibly, make a ruling. So there again is the necessity of departmental or ministerial investigation and decision.

Mr. McCANN: Who determines the cost of production in the home market?

Mr. ILSLEY: The departmental officials. The application of it is very limited. Investigation is made upon complaint, and it is a very minor, subsidiary section.

Mr. DEACHMAN: Where does the complaint come from?

Mr. ILSLEY: Ordinarily the complaint would come from Canadian competitors of the foreign suppliers.

An hon. MEMBER: I thought so.

Mr. EDWARDS: Why would it not?

Mr. ILSLEY: I do not understand why they should not complain if they want to.

Mr. DEACHMAN: The question I raised is due to this. Suppose a manufacturer is bringing in raw material for his own use, and a competitor complains; where does he get his information? How does he get the information about the importation of which he complains? From the departmental officials?

Mr. ILSLEY: There are various ways in which he might realize that importations were taking place at a low price. He would know the price at which they were being resold in Canada. There are complaints, anyway.

So much for section 36. The third section I referred to was section 41. That section applies to cases where there is no established home market value, and to certain other peculiar cases, and under the circumstances outlined in the section the minister is authorized to fix a fair value. The principles upon which values are fixed have been worked out with great care by the department over a period of years and so far as I know there is no secret as to what those principles are. As I have said, section 41 is not very important, but it is necessary because, if there is no home market value, if there is no consumption in the home market, or if goods are not sold in the home market under conditions similar to those which govern their importation into this country, somebody has to fix what is the fair value for importation.

Another section of the act, namely section 43, is based upon entirely different principles; it permits the Minister of National Revenue, under the authorization of the governor in council, to make arbitrary valuations. It is at variance with the principle underlying the Customs Act. This section was inserted a few years ago. The history of it was given this afternoon by the hon. member for Moose Jaw (Mr. Ross). During the last two years it has fallen almost into disuse except in respect of fruits and vegetables, but it is applied to those articles and is the only system that we have been able to work out to control their importation, if it is desirable to control it. I do not know of any better system. At any rate that is the main function of section 43.

When this government assumed office there were between twenty-five and thirty-five valuations of manufactured goods under section 43. With the exception of three, these have all been cancelled in so far as importations from countries entitled to the benefits of the most favoured nation and intermediate tariffs are concerned. So the main use of the section is, as I have said, in its application to fruits and vegetables. Although this is a matter of policy, with which I as an administrator am not primarily concerned, I believe that the justification of this section for application to other than fruits and vegetables is as an emergency instrument. Indeed I applied it once for a short period as an emergency section, in regard to the importation of coronation souvenirs, and there was practically no complaint from the people of Canada. That was, I thought, a legitimate application of section 43, a section which is at variance, as I have said, with the principle of section 35.

In a reform of the Customs Act such as the mover of this resolution possibly has in mind, the first question that must be answered is this: Shall we retain or shall we abandon home market value as the basis of our customs valuation? Once that principle is decided everything else can follow along naturally. Some countries apply a different principle. Great Britain has as its basis cost plus insurance plus freight, and that system has some

advantages. There is one disadvantage, in a country situated as Canada is, in this cost basis. A home market basis is very much harder to evade than a cost basis. A cost basis on customs valuation makes rebates as between purchaser and seller very much easier, and our geographical position is such that it would be, I feel sure, a very serious problem for Canada if Canada were to abandon the home market basis and adopt the cost basis.

In the administration of the Customs Act the government and the minister should keep in mind certain broad principles. The gentlemen who have spoken are quite right in saying that the act should not be administered, the tariff should not be applied, by the department primarily as an industry protecting device. The protective feature is of course present in our tariff, but the department is the Department of National Revenue, and our primary concern is to apply the tariff that we have to apply, to administer it strictly, regardless of the effects of its application on industry in the country or outside. It is very difficult to get people to appreciate or understand that point of view. We are continually being besought to place goods in a low classification because it would help the importer, or in a high because it would help the manufacturer; or we are asked to make a low valuation to help the importer or a high valuation to help the manufacturer. But these are not the considerations which should govern the department. These are matters which should be defined in the act, and then the act should be strictly administered, because any other administration would be an unfair one.

I have laid down in two or three speeches that I have made on the subject of the department in the last two or three years the principles which I have tried to follow and have the officers of the department follow.

The first principle is that the department should be regarded primarily as a revenue-collecting agency, rather than as an industry-protecting agency. Protection of industry will follow collaterally, of course, because that is the design of a protective tariff; but our concern is to collect the revenue which the law says we shall collect, in accordance with the tariff.

The second principle is that no unnecessary administrative barrier shall be placed by the department in the way of imports. I am free to admit that the tariff can be administered in a way that will make importation difficult, and there have been times when this has been done. Your regulations may be so strict that certain commodities cannot be imported, and

delays in appraisals and various devices might be resorted to, if we wanted to do so, which would be technically within the law but would make importations difficult. That could be done under any system. Parliament cannot help it. It has to be left to the good sense and principles of the government of the day. But I do not think it is sound administration to erect unnecessary administrative barriers in the way of imports. In other words, we should not be astute to devise regulations within the law for keeping imports out, nor should we manipulate the law or regulations to do so. That principle has been laid down and is being followed by the department at the present time.

The third principle is that importers should be able to ascertain in advance, with as much certainty as possible, what they will be obliged to pay in the way of duties upon any importation. It is not possible to do that completely at times because they must be prepared to declare, and if necessary to show, that they are importing at the fair home market value. This may seem difficult to hon. members, but it is not so in practice. Usually importers will know pretty well the prevailing price in the country of origin, and if they import at that price they are safe; there is no question of what they have to pay. The instances given by the mover of the resolution, in which he got a forty per cent tariff up to a 150 per cent tariff, are supposititious cases; they are not actual cases, and I do not think they would happen in actual practice. If by $100 worth of goods he meant goods worth $100 in the home market, a forty per cent duty would mean that an importer would pay $40 not $100, $120 or $150. So I think the difficulties of administration in that respect were unduly stressed.

Mr. YOUNG: If the minister will permit a question, was there a recent ruling with regard to rubber footwear, and if so, under what section of the act was it made?

Mr. ILSLEY: Rubber footwear is one of the three articles which are still subject to valuation under section 43. The value was lowered under the recent ruling because it was considered by the department that it was unduly high. That is substantially what was done in regard to rubber footwear.

Just one other matter. The impression was given, I fear, this afternoon, that the discretion of the officers of the department and of the minister is unchecked, unregulated, uncontrolled. Lord Hewart's book, The New Despotism, was cited, and the house was given to understand that we are a law unto ourselves. That statement should be qualified

because, at every point where it has been possible to do so an appeal to a judicial tribunal has been provided. The old tribunal that heard the appeals was the board of customs, but since 1932 the tribunal which hears the appeals is the tariff board. The tariff board has a degree of permanency and a judicial cast which does not apply to the officers of the Department of National Revenue, who are crown officials collecting revenue for the crown; but the department's valuations, their made-in-Canada rulings, their classifications, their everything, in fact, except rulings under section 41, are all subject to appeal to the tariff board, and that has been provided by changes in the law or by order in council since the present government took office. So it is not correct to say that our discretion is uncontrolled or unregulated. Other countries have the same system.

As to the instances given to-day, it is only fair to say that we did not change the duty paid on rubber tires except in so far as we were right in doing so, because, as I say, an appeal has been provided to the tariff board.

Reference has been made to the home consumption drawback system. I do not know whether it is incumbent upon me to enter into a defence of that system; in fact, I do not know whether I believe in it or not myself. Under our tariff a great many articles are dutiable or not according to the use to which they are put after they are imported. The officials of the department do not like these items, and I do not like them, because they make it necessary for the department to police importers. When an importer says he is going to use a certain yarn for the manufacture of silk, and thereby gets it in free, it is necessary for the department to make a check on him to see that he uses it for that purpose and that he does not resell it. These are not regarded as desirable items from an administration standpoint. But I do not think it makes very much difference if you have items like that, once you admit the principle involved, because whether you do it by items in the customs tariff or by a system of domestic drawbacks the result is the same. As a matter of fact, the system of domestic drawbacks is safer for the crown because the crown collects the money in the first instance, and the importer is then obliged to show that he put the goods to the use which qualifies them for drawback of part of the duty before he can get that duty returned. I am sure, however, that the government will be prepared very seriously to consider a change, and perhaps a repeal, of the schedule relating to domestic drawbacks. It might, however, entail the addition of a corresponding number of items in the customs tariff to effect the same end.

The mover of the resolution made some reference to the administration of drawbacks, and intimated that perhaps the greatest wheedlers got the most in drawbacks. I want to assure the house that the amount that an applicant for drawback gets does not in any sense depend upon his wheedling ability. The payment of drawbacks is much more severely and strictly regulated than that. Drawbacks are paid when proof is placed in the hands of the department that the goods qualify for drawback, and a large number of auditors check up on the facts that are presented to the department. After that the auditor general has access to our drawback records, and at times has questioned the payment of drawbacks by the department, whereupon the matter has been gone into anew to see that we were keeping strictly within the law. I do not believe that there is any looseness in the payment of drawbacks. The payment has to pass the treasury board and the auditor general, if he requests it, and council. It is regarded as an important matter to be paying these sums, and they are paid out in as strict a way as they would be paid out by any business institution in the country.

I come now to the specific proposal of the mover of the resolution, that is that the operations of the customs division be subject to review by a parliamentary committee. Personally I regard it as an unusual request, for this reason. Ordinarily, unless there is some charge of wrong-doing on the part of the officials of a certain department, one does not ask for a parliamentary committee to investigate that department. The hon. gentlemen who have spoken to-day have made it clear that they do not intimate or charge that anything of the sort has been done; they simply say that they would like to be given the means of finding out whether we are carrying on as we ought to do. I think that in essence the resolution before us to-day is a challenge to the system which prevails and not to the administration of that system.

In my opinion, a parliamentary committee is not the proper body to go into that question. That is a matter of principle which will have to be dealt with upon the introduction of legislation into the house. For several months now—

Mr. YOUNG: That would be better done after we knew exactly what applied.

Mr. ILSLEY: I will give my own views in that respect. Since May last an inter-departmental committee has been working on the revision of the Customs Act. The committee has met weekly since that time. It consists of the Chairman of the Tariff Board, Judge Sedgewick, Mr. Norman Robertson of the Department of External Affairs; Mr. Hector MacKinnon of the Department of Finance; Mr. H. D. Scully, Commissioner of Customs, and Mr. C. P. Blair, who for a great many years was assistant commissioner of customs. This committee has done a great deal of work on the Customs Act and has advanced the work to this stage, that it is about to circulate its proposals to other departments which are interested in customs administration. When they receive the comments and criticisms of these other departments they will prepare a report on the act and make that report to me, and I shall then introduce the consolidated and revised Customs Act at the next session of parliament. When that legislation is introduced these questions of principle which have been gone into to-day by hon. members will certainly have to be considered at length by the house. I do not know whether the act will be referred to a special committee or to the committee of the whole house, but that will be the time to consider changes in principle and a change in the system if such a change is thought desirable. In view of the fact that the work of revision is under way, I hope that the mover of the resolution will not press it this afternoon.

I think the house is indebted to the hon. member for plunging into the Customs Act and bringing on this discussion. Unfortunately, as the seconder of the resolution said, a great many people fight shy of such a dry subject, and any member of the house who will interest himself in the administration of the act is entitled to credit for so doing. I would suggest, if it is agreeable to the mover of the resolution, that this discussion has served its purpose for the time being; that the resolution be withdrawn, and that this matter be dealt with next year when the Customs Act is before the house.

Mr. M. J. COLDWELL (Rosetown-Biggar): First of all I should like to congratulate the hon. member for Moose Jaw (Mr. Ross) upon having introduced this resolution, and I hope that this discussion will not close now; for it has not been a discussion. We have heard only three speakers, the mover and seconder of the resolution and the minister, and I think it would be regrettable, in view of the fact that legislation will be introduced next session, if this matter did not receive some consideration from different viewpoints in the house. I hope that the mover will not withdraw the resolution, at least until it has been further discussed.

I have been interested in public affairs ever since I went to western Canada, nearly thirty years ago—twenty-eight to be exact—and during that time the tariff has been discussed in season and out of season. I came to the conclusion some fifteen years ago, when I was associated with the old Progressive movement, that as far as I could see the tariff had been used more or less as a debating issue or a smoke screen by the two political parties, and that there was in reality very little difference in their administration of tariffs. That impression has been confirmed in the past few years. I have often been taken to task for the statement that the only difference I could see between the policies of the two parties with respect to the tariff was that the Conservatives always advocated a high tariff and that the Liberals when in power maintained a tariff which was high. I could not see the difference between the two. Someone suggests to me, a tariff that was not too high. I think I shall leave it as I stated it originally; for I think that is the fact.

The mover of the resolution has performed a service in bringing to the attention of the house the fact that it is not altogether the tariff or the tariff schedule that really counts, but the valuation of goods for duty purposes. The house should go into the matter of valuation for duty purposes much more thoroughly than we have gone into it this afternoon. I was on the farm implements committee last year. The hon. member for Melfort (Mr. McLean) referred to some of the statements made there, and I recollect how difficult I found it to follow some of the arguments as to the way in which valuations were made for duty purposes.

The mover of the resolution gave certain dates as to when the power of parliament over customs duties had been restricted, if I may put it in that way, by the granting of further power to the minister or to the commissioner of customs. I noted that several of the years he mentioned, 1904, 1907, 1922, 1936, 1937, were all years when we had a Liberal administration in power, and that to a large extent the Liberal party is responsible for the method of valuation and the tariff policies that we now have. And in view of the fact that throughout all these years the tariff has been made an issue in western Canada and throughout Canada—and I say an unreal issue—I would point out to the mover and seconder of the resolution, as well

as to other hon. members, that to-day we have in office a Liberal government with the largest majority which any government has had since confederation, and they should either carry out their declared policy in regard to this matter or drop the discussion altogether.

The other day the hon. member for Melville (Mr. Motherwell) outlined the history of the matter from the time of confederation, and, if I remember correctly, what he said was to the effect that in a large measure all we have succeeded in doing is dividing the people and creating a lot of hard feeling. That is true. I should like to see the house tackle the economic problems that confront the country. If this government do not intend to do anything in relation to the tariff, then let us tackle some other problems that need to be tackled and cease dividing our people on an issue which apparently is an unreal issue.

Let me add that regulations made by the department often undo the thing that parliament intended to do. I have in mind particularly the $100 exemption which was granted to returning tourists. Regulations have been issued by the department which have negatived that privilege to a very large extent. Last year I spoke of a case of the importation of a set of rubber tires, which could be brought in in the car but could not be brought in on the wheels of the car. This year I was crossing the boundary into Canada and the official asked me if I had anything to declare. As a matter of fact I had not. In the course of conversation with this official he told me of a new regulation which had been put into effect last summer, that if you bring a pair of shoes or an article of clothing bought abroad into the country in your baggage, it comes in free, but if you wear it when you come in it immediately becomes dutiable. Now since most people who cross the border into say the United States and stay forty-eight hours may buy shoes or shirts or some such articles and wear them, is it fair or reasonable or proper that such a person buying something for his own use should pay duty on it, whereas if he brings in something in his baggage, possibly for someone else, it may come in free of duty? I heard an hon. member on the Liberal side say, "Yes, that is fair." I say it is unfair, because it negatives the desire of this parliament to grant that exemption.

Mr. YOUNG: It is stupid, too.

Mr. COLDWELL: There are other regulations of a similar kind. I have a friend who was honest enough to declare a shirt that he bought in the United States. When he crossed again some time later, a few days within the four months' period, having bought a little radio in the United States and being honest enough to say he had bought the shirt on the former occasion, this made the radio set become dutiable. Now the intention of this parliament in enacting that provision in the 1936 Canada-United States trade agreement, was that it should be given as a privilege to the people of Canada who went abroad on a visit to bring back goods to the value of $100 free of duty.

Mr. ILSLEY: May I ask the hon. member, if he were the minister administering the act, not an outsider without responsibility, would he not feel obliged to keep within the wording of the item, rather than giving it what he calls a fair construction which might not be within the meaning of the tariff? Would he not feel that that was the proper thing to do?

Mr. COLDWELL: I am not criticizing the minister; I am criticizing the system. I do not think what I have said is amiss, because if a man enters Canada wearing a pair of shoes bought on a visit to the United States, surely those shoes are for his own personal use, and that was the intention of parliament when it adopted that provision.

Mr. ILSLEY: The item says "contained in the baggage."

Mr. COLDWELL: Well, someone once said that the law is an ass. If the difference between bringing in something in baggage or wearing it on one's person makes it liable to duty then I would agree.

Mr. ILSLEY: I do not know what our ruling is; but if the hon. member will bring the matter up in connection with the estimates, I shall look into it and tell him what the ruling is.

Mr. COLDWELL: I should be glad if the minister would look into the matter. I think he will find that what I say is true.

There are some other points that I should like to discuss, but I see it is six o'clock.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 17, 1938

The house met at three o'clock.

PRIVILEGES AND ELECTIONS

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I move:

That the name of Mr. Pelletier be substituted for that of Mr. Kuhl on the select standing committee on privileges and elections.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*DEPARTMENT OF AGRICULTURE—EMPLOYEES

Mr. BOULANGER:

What are the names, occupations and salaries of employees of the Department of Agriculture or of individuals whose work is paid for or controlled by the Department of Agriculture and who, performing their duties in French Canada, do not know sufficient French to make themselves understood by the men with whom they come in contact and to explain to them the object, aims and advantages of the laws which they administer?

Mr. RINFRET: The department keeps no record from which this question could be answered. I might point out, however, that the matter involved is already the subject of a bill which has passed its second reading, and which will be referred to a special committee to consider the operation of the Civil Service Act.

CANADIAN BROADCASTING CORPORATION—STATION CBL

Mr. LAWSON:

1. What were the total number of hours of broadcasting on station CBL during the weeks commencing January 1, 1938, January 8, 1938, January 15, 1938, January 22, 1938, and January 29, 1938?

2. What number of hours of such broadcasting on such station were: (a) programs originating in Canada (sustaining or commercial); (b) programs originating in the United States (sustaining or commercial)?

3. Of such programs originating in the United States what number of hours were commercial programs for which the Canadian Broadcasting Corporation were paid?

4. In each case where the same commercial program originating in the United States was broadcast over station CBM at Montreal, please indicate.

Mr. HOWE:

The following information has been supplied by the Canadian Broadcasting Corporation:

1. January 1, 1938, 111.45 hours; January 8, 1938, 112.00 hours; January 15, 1938, 112.00 hours; January 22, 1938, 112.00 hours; January 29, 1938, 112.00 hours—Total, 559.45 hours.

2. (1) Programs originating in Canada:

(a) Sustaining: January 1, 1938, 47.00 hours; January 8, 1938, 46.30 hours; January 15, 1938, 48.00 hours; January 22, 1938, 45.45 hours; January 29, 1938, 45.55 hours—Total, 233.10 hours.

(b) Commercial: January 1, 1938, 16.00 hours; January 8, 1938, 16.35 hours; January 15, 1938, 17.20 hours; January 22, 1938, 19.50 hours; January 29, 1938, 18.20 hours—Total, 88.05 hours.

Total in Canada, 321.15 hours.

[Mr. Mackenzie King.]

(2) Programs originating in the United States:

(a) Sustaining: January 1, 1938, 30.30 hours; January 8, 1938, 30.40 hours; January 15, 1938, 28.40 hours; January 22, 1938, 28.25 hours; January 29, 1938, 29.30 hours—Total, 147.45 hours.

(b) Commercial: January 1, 1938, 18.15 hours; January 8, 1938, 18.15 hours; January 15, 1938, 18.00 hours; January 22, 1938, 18.00 hours; January 29, 1938, 18.15 hours—Total, 90.45 hours.

Total hours in United States—238.30 hours.

3. 90.45 hours.

4. The following commercial programs originating in the United States were also broadcast over Station CBM at Montreal:

January 1, 1938—Jell-O (Jack Benny), Jergens-Woodbury Program, Campbell Soups (Amos 'N Andy), Firestone Tire and Rubber Company, S. C. Johnson and Son (Fibber McGee and Molly), General Electric "Hour of Charm", Carnation Milk Company, Tender Leaf Tea, Royal Gelatine (Rudy Vallee), Maxwell House Coffee "Good News of 1938", Kraft Music Hall (Bing Crosby).

January 8, 1938—Same as above.

January 15, 1938—Same as above.

January 22, 1938—Same as above.

January 29, 1938—Same as above with the addition of Borden Company "Hughes Reel".

CANADIAN NATIONAL RAILWAYS—COAL PURCHASES

Mr. BROOKS:

1. What prices have been paid during the past two years, and are now being paid, by the Canadian National Railways for coal purchased in: (a) New Brunswick, and (b) Nova Scotia, giving number of tons purchased, and price per ton?

2. Is an allowance made to the railway for the cost of hauling Nova Scotia coal to New Brunswick points?

Mr. HOWE:

1. It has not been the practice to make public prices paid by Canadian National Railway management for materials and supplies, though such information is made available to the select standing committee on railways and shipping, if requested.

2. No subvention, but such shipments would secure benefit of the 20 per cent reduction from normal tolls, as provided by the Maritime Freight Rates Act.

CROWSNEST PASS AGREEMENT

Mr. PERLEY:

1. What classes of goods were carried by the railroads at special rates under the Crowsnest Pass agreement during the year 1937?

2. Which of such commodities are carried at the same or less rates than provided for in the Crowsnest Pass agreement?

3. What is the present rate on each of such commodities, and what was provided for by the Crowsnest agreement?

Mr. HOWE:

1. Grain and grain products.

2. All such commodities are carried at Crowsnest Pass agreement rates.

3. Present rates on grain and flour irom points on the Canadian Pacific Railway to Fort William are those provided for by the Crowsnest Pass agreement with that railway, and are:—

Miles to Fort William	Rates per 100 lbs Cents
419·1..	14
419·1 to 474·7..	15
474·7 to 552·2..	16
552·2 to 577·0..	17
577·0 to 683·1..	18
683·1 to 742·5..	19
742·5 to 817·1..	20
817·1 to 851·8..	21
851·8 to 927·5..	22
927·5 to 1012·0..	23
1012·0 to 1119·1..	24
1119·1 to 1191·0..	25
1191·0 to 1251·8..	26

These Crowsnest rates were made applicable to Canadian National Railways by amendment to the Railway Act in 1925, chapter 52.

QUESTIONS REFERRING TO STATEMENTS APPEARING ON HANSARD

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, referring to one or two of the questions on to-day's order paper, may I say I do not think the government should be asked if its attention has been called to something that appears on Hansard. Questions of that kind are much too wide of the mark. If an hon. member wishes to get specific information on any point, he should state the point himself. I mention the matter not to pass over the questions at the moment, but rather in the hope that this type of question will not be asked in the future.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN BROADCASTING CORPORATION PROPERTY PURCHASE

Mr. LAWSON:

1. What quantity or acreage of property was purchased by the Canadian Broadcasting Corporation during the years 1936 and/or 1937 near Hornby, nineteen miles west of Toronto for a 50,000 watt broadcasting station?

2. What price was paid therefor?

3. From whom was the property purchased?

4. What person or persons acted as agent for the Canadian Broadcasting Corporation, if any?

5. What commission, if any, was paid such agent by the Canadian Broadcasting Corporation?

6. Were any valuations obtained by the Canadian Broadcasting Corporation from independent valuators before such purchase was made?

7. If so, who were the valuators?

8. What was paid to each of such valuators for such services?

9. What capital expenditures were made by the Canadian Broadcasting Corporation during the years 1936 and 1937 for the acquisition of the properties for the construction of the 50,000 watt broadcasting stations or broadcasting towers other than at Hornby, nineteen miles west of Toronto?

10. What are the locations of any such properties so purchased?

CANADIAN NATIONAL RAILWAYS—DEFICITS AND GRAIN SHIPMENTS

Mr. BRUNELLE:

1. What were the deficits of the Canadian National Railways for each of the years 1922 to 1937 inclusive?

2. How many carloads of grain of all kinds were hauled by the Canadian National Railways from prairie provinces during each of the years 1922 to 1937 inclusive, to (a) Vancouver elevators; (b) great lakes elevators; (c) Port Churchill elevator?

RAVENSCRAG, SASK., FARMERS

LACK OF FEED FOR LIVE STOCK AND NEED OF RELIEF

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Before the orders of the day are proceeded with, may I draw the attention of the government—I note the Minister of Agriculture (Mr. Gardiner) is not in his place—to the fact that I have been informed by a group of farmers in the Ravenscrag district in Saskatchewan that they have had no feed or fodder except two cars of feed since the first of February, their stock are starving, there is three feet of snow in that locality, and relief is very urgent. I draw attention to the fact in order that the government may take the steps that are necessary for dealing with the situation.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I thank my right hon. friend for drawing the attention of the government to this matter, and if it has not already received attention, I can assure him that it will.

UNEMPLOYMENT AND AGRICULTURAL ASSISTANCE

FEDERAL GRANT TO ONTARIO—REPRESENTATIONS OF CITY OF BRANTFORD

On the orders of the day:

Mr. W. R. MACDONALD (Brantford City): Mr. Speaker, I wish to ask a question of the Minister of Labour (Mr. Rogers), but before doing so I should like to read, with the permission of the house, a telegram I have received to-day from R. J. Waterous, mayor of the city of Brantford.

Brantford very much concerned over refusal of federal government to increase grant in aid of province of Ontario, which possibly means a considerable reduction by the province to Brantford towards the cost of relief, thus materially increasing the burden of relief on the municipality. Please use every effort on the federal government to increase grant to province.

I would ask the minister if there has been any change in the basis of the grant to the province and whether any reduction has been made in the amount of the grant.

Hon. NORMAN McL. ROGERS (Minister of Labour): In answer to the question just put to me by the hon. member for Brantford (Mr. Macdonald), I would say that the grant in aid to the province of Ontario for the months of October, November and December was set at $465,000 per month. Under the terms of the agreement now before the province, the grant remains at $465,000 per month as a maximum, or thirty per cent of the total cost of material aid in the province, whichever amount is the lesser. That is the arrangement which is incorporated in the terms of the agreement now before the Ontario government.

RULE AS TO ANTICIPATION OF ACTION OF PARLIAMENT

Mr. T. L. CHURCH (Broadview): I have given notice to the Minister of Labour (Mr. Rogers) about a feature of my recent question which is not covered in the answer: I refer to an announcement made in the press by the minister yesterday that he had rejected Ontario's offer of 40, 40 and 20. I wish to know whether that decision is final; because I would direct your attention, Mr. Speaker, on a point of order regarding the minister's answer, to motion number 11, page 12 of the order paper, which was placed there on January 27, before this deputation was received, and to citations 243 and 393 as set out in Beauchesne's Parliamentary Rules and Forms. The effect of paragraph 243 is that you are not to anticipate the action of parliament on a question if it is to come before the house soon. This motion was on the order paper on January 27; it was to come before the house so soon that only two motions were ahead of it, yet the minister has given his answer over the head of parliament, without letting the Ontario or Toronto members know. I would ask your honour to consider the point and give your decision to-morrow or the next day.

Mr. SPEAKER: I will look into the matter raised by the hon. member.

DIVERSION OF WATER

PROPOSED RAISING OF GREAT LAKES WATER LEVEL —CORRESPONDENCE TO BE TABLED, TO INCLUDE ST. LAWRENCE WATERWAY AND EXPORT OF POWER

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): In to-day's newspapers there is a dispatch from Washington quoting congressman Andrews as having read to the United States congress a letter from Premier Hepburn of Ontario making certain proposals to raise the water level of the great lakes by diverting into lake Superior the waters of two rivers in northern Ontario. In this connection, may I ask the Prime Minister (Mr. Mackenzie King) if he has altered his position in this connection from that expressed by him in a letter to Mr. Stewart Lyon, then the chairman of the Ontario Hydro-Electric Power Commission, on September 7, and referred to in a Toronto Telegram editorial on January 24 last, namely "that he"—the Prime Minister—"does not propose even to ask the United States authorities for their provisional consent by letter to the diversion of Long Lac water into lake Superior." Apparently Mr. Lyon, in a communication with the press, quoted the Prime Minister's letter of September 7.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not recall in its entirety the letter to which my hon. friend has just referred. I am inclined to think that the reference he has made covers only a part of the letter, and it will be necessary for hon. members to have the entire letter before them in order to see precisely what was said. I imagine the only way whereby hon. members can satisfy their minds as to exactly what has taken place in correspondence, between the government at Ottawa and the government at Toronto, and between Ottawa and Washington, is to have all the correspondence printed and tabled, not only that on the question of the diversion of waters of the great lakes and the rivers but also

with respect to the St. Lawrence waterway project, and with respect also to questions of the export of power.

Anticipating that all of these matters would come up for discussion at this session, I gave instructions some time ago to have the correspondence brought together and prepared for the printer so that it could be brought down in printed form at an early date in this session. The premier of Ontario has already given publicity to a good part of the correspondence relating to the question of the export of power and to other matters which relate to the larger project. I think it may be assumed that he has no objection to all the correspondence being tabled; in fact it has been so stated. It has been necessary to ask the United States government whether there was any objection on their part to having all the correspondence tabled, and they have replied that they have no objection; It is the wish of our government that all of the correspondence should be tabled, so I hope that early next week it will be possible to present to the house in the form of a white paper—it will be a book of some small dimensions—all of the correspondence on these three important subjects.

RADIO BROADCASTING

CANCELLATION BY STATION CKCL OF ADDRESS BY R. L. CALDER, K.C., FROM OSHAWA

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I would like to ask the Minister of Transport (Mr. Howe) why and by what authority the arrangement to broadcast an address by R. L. Calder, K.C., of Montreal, was cancelled last evening by station CKCL? Mr. Calder was speaking under the auspices of the United Automobile Workers of America, on civil liberties, from Oshawa.

Hon. C. D. HOWE (Minister of Transport): My hon. friend gave notice yesterday of this question. I communicated immediately with the Canadian Broadcasting Corporation and found that they had no knowledge of the subject matter of his question. However I asked the officers to make inquiries, and to-day I am advised that Mr. Bailey of the United Automobile Workers of America, applied to private station CKCL for time on the station to broadcast an address by Mr. Calder from Oshawa. The station advises the corporation that they discussed the matter with their own officials and decided on their own initiative that they did not want to carry the address, and in communicating their reply to Mr. Bailey they stated that their decision was their own, and had nothing to do with the Canadian Broadcasting Corporation.

COST OF LIVING

REPRESENTATION OF TORONTO HOUSEWIVES' ASSOCIATION—STATEMENT OF MINISTER OF LABOUR

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of Labour): The hon. member for Broadview (Mr. Church) on Tuesday referred to letters he had received from Toronto with regard to increased prices of food and other commodities. I stated at that time I would inform the hon. member as soon as possible what action might be taken under dominion jurisdiction to deal with this matter.

In reply to his question I think it would not be advisable to adopt the hon. member's suggestion of setting up a committee on this matter at the present time, having regard to the constitutional limitations to which he has referred and the fact that matters connected with the constitutional powers of the dominion government and the governments of the provinces are now being investigated. If there are grounds for believing that trade combinations are fixing prices to the detriment of the public, the provisions of the Combines Investigation Act may be invoked in the regular manner by the hon. member's correspondents or others who know of the existence of such combinations. For the investigation of matters of price which are dealt with under provincial legislation, as in the case of milk, the provisions of the provincial legislation may similarly be invoked.

RAILWAY ACT AMENDMENT

JURISDICTION OF RAILWAY COMMISSION IN CASES OF DAMAGES CAUSED BY ERECTION OF SNOW FENCES

Mr. O. L. BOULANGER (Bellechasse) moved the second reading of Bill No. 5, to amend the Railway Act.

He said: I do not think it is necessary for me to say very much about this bill. It contemplates a minor amendment to the Railway Act, and it speaks for itself. It is hardly necessary to say that the bill is presented with the best of intentions. Its purpose is to afford some measure of relief to farmers who have difficulties with big railway corporations.

Section 203 of the general Railway Act gives the railway companies permission on or after the first day of November of each year to

enter upon private lands alongside a railway and to erect snow fences on those private lands belonging to farmers. These snow fences cause the snow to accumulate on the land to a depth sometimes of twenty-five or thirty feet. I submit that this right which is given to the railway companies is absolutely out of the ordinary. It gives the companies power to enter upon property that does not belong to them. Of course, it is of great advantage to the railway companies, for it enables them to effect a great saving in labour and material. I do not think it is proper that the railways should have the right to make such a considerable saving at the expense of poor farmers.

It is true that at the present time section 203 of the act gives to the farmers the right to apply to the courts for redress; but everyone with experience in the practise of law knows that such a right involves a good deal of expense, much delay and a lot of trouble. The purpose of the bill is to provide a more expeditious, easy and economical way of settling these claims than by obliging the farmers to go to law. The damages sustained by the farmers are evident. These snow fences, especially those of more recent design, cause the snow to accumulate, as I have said, to a depth of twenty-five or thirty feet, and that snow remains on the ground for a very long time in the spring.

Mr. BENNETT: They must be removed on the first of April.

Mr. BOULANGER: Yes, the snow fences are removed on the first of April, but the snow is not; the snow remains on the ground and only the sun can dispose of it. Take as an illustration my own parish of St. Charles de Bellechasse where I was born and brought up. That parish was settled about the middle of the eighteenth century. In fact it was established in 1745. The railway through that parish was built in 1855, and it is no fault of the farmers if their farm buildings, their orchards and their gardens are in proximity to the line. Their farms, their gardens and their orchards were there before the railway was built. The railway was built through the most settled part of the country, through farms, adjacent to buildings and houses, through vegetable and strawberry patches, gardens, orchards and so on. What happens is this. In the fall the railway people enter upon these farms without permission and erect snow fences. True, on the first of April these fences are removed but the snow remains for quite a long time. Sometimes it is there until June. It leaves the land entirely unsuitable for vegetable and fruit growing especially, and also causes fruit trees to freeze and die. It is responsible for considerable damage, and the only recourse of the farmers is to go to law, running the risk of having their cases dragged from the court of first instance to the court of appeal, and incurring a lot of costs.

I propose to do away with this system and have the board of railway commissioners decide upon these cases. As everyone knows, the board of railway commissioners is not bound by any strict rules of procedure. It settles cases in an equitable and amicable way, and it is not obliged to observe the rules of procedure that are followed in courts of law. That is one advantage; but the major advantage is, of course, that before the board of railway commissioners there are no costs. It is a poor man's court, because there is no tariff of fees applicable to cases heard before the board. This would be a great advantage to the farmers. Another advantage would be that the board of railway commissioners could settle these cases once for all. The board could have their engineers or their officials look into the situation on any farm and come to a fair conclusion as to what the damages might be from year to year, and with that estimate before them could make a definite settlement once for all of such claims. A settlement of this kind cannot be made in the ordinary courts because those courts can only assess damages that have already occurred; they cannot give anything for damages which a plaintiff has not yet suffered. Moreover, they are obliged to adjudicate upon cases where the damages have occurred within two years of the date of submission of the claim to the courts. According to the law of the province of Quebec—and I believe it is pretty much the same in the other provinces—claims for damages of this description are outlawed after two years, and so the farmers in our section have to take action every two years for settlement. The board of railway commissioners is not bound by the civil code of the province of Quebec or by the rules of procedure of that province, and under the Railway Act it could be provided that the board shall settle all these claims once for all—with regard not only to damages that have already been sustained but also to any damages which farmers are likely to suffer in the future.

Last year when the bill was presented to the house the Minister of Transport (Mr. Howe) had a few objections to make. One was that the board did not wish to take on any more work. That is only natural. They think that they already have enough to do. I do not believe, however, that this bill would result in any great increase in the work they

have to do. Their duties would be increased only to an infinitesimal extent, and I am sure that if they look at the matter again they will decide that their objection is not a very serious one. They might have one case or two or three or four cases a year in a section of the country where there was a great accumulation of snow, but that is not the condition in all parts of Canada. Another of their objections, as the minister told us last year, was that the litigants would have to come to Ottawa to plead their cases. In practice this is no objection, because in practice litigants do not travel to appear before the board of railway commissioners; the members of the board travel to meet the litigants. They go about the country, to Regina, Winnipeg, Vancouver, Montreal, Quebec, Rimouski, Halifax, as the case may be, and meet the litigants where the litigation arises and the witnesses are available and the record exists. Therefore the objection does not seem very serious; there would be no change in the procedure of the board because it is travelling already. The only difference would be that instead of having five or six cases at a session in Winnipeg, for example, they might have seven or eight.

Another objection which was raised by the minister last year was that there now is a system of arbitration provided for the settlement of these cases. Under that system the complainant and the railway company each appoint an arbitrator, and a third arbitrator is appointed by a judge. In regard to this arbitration system I think the minister has been misinformed. It applies in the case of lands required for the construction of railways, but, if I read the law correctly, it does not apply to damages caused by the operation of a railway. When damage is caused by railway operation complainants have to go before the ordinary courts; it is like any other action for damages. You have to take action in the ordinary way, follow the procedure, and run all the risks of cases in courts.

This risk of costs results in great injury to the farmer, because it is exploited to the limit by the railway claims agents. I do not blame them for that; it is their job to discourage claims against the railways, and they use all the arguments that they can invoke. They go to the farmer who has a claim against the railway company on the ground that his land was covered by thirty feet of snow, thus preventing the planting of potatoes or strawberries in time, or whose fruit trees have been damaged or killed by frost during the winter on account of accumulation of snow, and they say: We will fight you in the courts; your farm will be eaten up in costs if you do not accept the offer we are making. And of course the poor farmer gets scared and accepts in settlement of his claim an amount which is perhaps a mere fraction of the real damage he has suffered.

If these claims could come before a tribunal where there is no risk of costs it would be a great service to the farmers. I am sure the board of railway commissioners is competent to adjudicate on these small damage actions. I do not know all the members of the board but I know a few of them; for instance I know well the chairman and the vice-chairman. They are capable lawyers of great experience; they have been in public life, and they possess the milk of human kindness. I am confident that they would be able to deal with these cases admirably, and would deal with them in the interest of and to the advantage of the farmers.

I will not say more, sir, because the bill speaks for itself. The arguments in favour of it are self-evident, and I commend it to the consideration of the house.

Mr. T. A. THOMPSON (Lanark): I rise to say a word in support of this bill. I am pleased that the hon. member for Bellechasse (Mr. Boulanger) has brought the matter before the house. It is a great inconvenience and cause of loss to farmers to have these snow fences erected on their farms. But the railway companies are not the greatest sinners in that regard; provincial, county and in some cases municipal highways are protected in the same way. The railways and the provincial and municipal authorities, without asking the farmer's consent, go on his property and erect snow fences, probably twenty-five yards inside the road fence. These snow fences catch a very large amount of snow during the winter. I have seen field after field where by reason of the accumulation of snow it was ten days to two weeks after the rest of the field was sown before the farmer could cultivate that land along the road. Also I have seen the crop there damaged, because a late crop is never as good as one sown earlier.

It has always seemed to me a great injustice that public bodies can go on a farmer's land in this way. I speak from personal experience. In some cases the fences are not removed by April 1. The inconvenience to the farmer is considerable and something should be done. I am heartily in accord with the provisions of the bill.

Hon. C. D. HOWE (Minister of Transport): This bill makes a substantial change in the method of dealing with cases affecting

snow fences adjacent to railways. It cancels the present method of dealing with such cases, and provides a new one. Perhaps in order to refresh our memories I might read the relevant section of the Railway Act:

203. Every railway company may, on and after the first day of November, in each year, enter into and upon any lands of His Majesty or of any person lying around the route or line of the railway, and erect and maintain snow fences thereon, subject to the payment of such land damages, if any actually suffered, as are thereafter established, in the manner provided by law with respect to such railways.

By this bill the words "in the manner provided by law" are to be deleted and the following substituted therefor:

. . . by mutual agreement, and failing such agreement, by the board of railway commissioners for Canada, who shall determine and fix the compensation to be paid the owner by way of damages. Such compensation shall be determined and fixed by the board, where possible, in respect to future as well as present or past damages suffered by the said owner.

I think my hon. friend misunderstood my objection of last year, when he said it was that the board of railway commissioners would be overworked. I admit at once that the board of railway commissioners is one branch of the government that is not overworked at the present time, and I have no objection to this bill on that score. I do believe, however, and it is the opinion of my own officers and of the railway board, that the present method of disposing of these claims is less cumbersome, more expeditious and apt to be more just than the method now suggested in substitution therefor.

The present procedure is very simple. The railway and the person damaged attempt to reach an agreement. If they fail they go to the local judge, who practically acts as arbitrator between the two parties. If either party is dissatisfied with the decision of the local judge that decision can be appealed to the higher court in the province, but unless the amount in question is in excess of $5,000 the appeal is limited to one higher court. In that way it becomes a local matter. The hon. gentleman who made this motion said that the question involves the height of the snowdrifts, the damage to trees and a number of other considerations in connection with which local knowledge is of immense importance in arriving at a decision. Usually the parties to the dispute, including the judge, are residents of the locality. They understand these matters and are able to arbitrate the case in a satisfactory manner.

As I say, this bill sets aside that procedure. No longer will it be possible to place the matter before the local judge. It now becomes mandatory that the case be brought before the Board of Railway Commissioners for Canada. I will admit at once that it is a debatable point whether this is a better procedure than the other, but I might point out that the railway commission would be strangers to the locality in question. It is true that once a year, or perhaps once in two years, the board travels from coast to coast holding sittings at various centres, but even hearings of that kind will not make the board familiar with the particular facts in disputes of this kind. I question very much whether the decision of the board would be more just or more acceptable to both parties than the decision rendered under the present procedure.

There is, of course, another matter involved. This bill would change the functions of the board of railway commissioners. In 1916, 1917 and 1918 a great deal of pressure was brought to bear on parliament to place the jurisdiction over the settlement of land disputes as between the railways and the public in the hands of the board of railway commissioners. At that time the board very strongly took the stand that they were not constituted for that purpose; that their machinery was not suitable for that purpose, and that decisions of that kind should be left to the ordinary courts. The board take exactly the same position in this case; that is, that their machinery is not suitable for deciding cases of this kind. However, I think the fundamental question is whether the citizens of Canada would be better served by the new type of court proposed by the bill or by the present procedure, and I believe that matter should be studied by a standing committee of this house. I therefore suggest, Mr. Speaker, that this bill be read a second time and referred to the standing committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

GOVERNMENT RAILWAYS ACT

JURISDICTION OF RAILWAY COMMISSION IN CASES OF DAMAGES CAUSED BY ERECTION OF SNOW FENCES

Mr. O. L. BOULANGER (Bellechasse) moved the second reading of Bill No. 6, to amend the Government Railways Act.

He said: Mr. Speaker, this second bill amends the Government Railways Act, and it is introduced for this reason: The Government Railways Act is still on the statute books, and there is a question as to whether or not it is still applicable to the railways which were formerly government property and which now form part of the Canadian

National Railways. That question has not been decided in a definite and categorical manner, and the act contains a provision in regard to damages caused by snow fences. Therefore, in order to be on the safe side, I am also presenting this bill to amend the Government Railways Act.

I am not going to repeat what I said when I explained the bill which has just been given second reading, beyond this: A moment ago the Minister of Transport (Mr. Howe) said that the procedure before the board of railway commissioners would be different from the procedure which exists at the present time before the superior courts, for instance. I do not see that there would be any difference. If the bill passed we would proceed before the board of railway commissioners exactly as we now proceed before the superior court. The plaintiff would bring his evidence; he would produce his witnesses and would present his written proof before the board just as he does before the superior court at the present time. The only difference would be this: At the present time if he loses his case before the superior court he may have to pay hundreds of dollars in costs to lawyers on both sides. Under the new system proposed, if the plaintiff lost his case before the board of railway commissioners he would not have to pay a cent in costs.

The minister says, "Well, the members of that board are not familiar with that kind of work. They are not as well able to adjudicate in these small damage actions as the local judge would be." I know that Mr. Garceau, for instance, the vice-chairman of the board, is an experienced lawyer in Quebec, and I am sure that Mr. Garceau, with his knowledge of the civil law of that province and with his long experience, could decide a small damage action just as well as any judge of the superior court or the circuit court. I would not be afraid to go before Mr. Garceau, where I am sure I would obtain a decision just as equitable as I might obtain from the judge of any court. The board goes to Quebec, for instance, many times a year. The litigants of that district would go to the court-house, where they go now. They cannot go anywhere else. If they have a damage action against the railways they have to go to the court-house now to have it adjudicated upon, so in that respect the procedure would be just the same, but instead of going before Mr. Justice So-and-So of the superior court they would go before the board of railway commissioners, in the same building. They would proceed exactly in the same way. They would make out their case in the same way, and receive a decision just as good as they could receive from a court. The only difference would be that they would not have to pay hundreds of dollars in costs, if they lost their cases.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, the remarks I made on the previous bill apply to this one, and I would suggest the same disposition of it.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CRIMINAL CODE

PROPOSED AMENDMENT RESPECTING OPERATION OF MOTOR CARS

Mr. T. L. CHURCH (Broadview) moved the second reading of Bill No. 10, to amend the criminal code.

He said: Mr. Speaker, in moving the second reading of the bill, I wish to call the attention of the house to the great slaughter occurring on our highways. Almost every road is coloured red with the slaughter of men, women and children. This slaughtering is done in a manner that is disgraceful, and presents the most important domestic problem with which we have to deal this year. I may say that it is one of Canada's chief problems, and parliament does nothing about it.

We are satisfied to devote a whole lot of time to flag waving, but the government of the day does not seem prepared to sit down and consider what must be done for these helpless men, women and children whose homes have been ruined and whose lives have been wrecked. All this goes on, and yet this high court of parliament sits here and does nothing to deal with these practical problems, which would be a work for the benefit of the people. They do nothing but appoint commissions, and that kind of thing.

I believe a few facts should be drawn to the attention of the house. The subject of the bill has been discussed in the house for three or four sessions. One of the commandments of God is: Thou shalt do no murder. Many men of real worth, through carelessness and selfishness, are recklessly violating not only the laws of God but those of men. No invention has contributed more to the comforts of our people than has the motor car, but, like every other invention we must consider its use as one thing and its abuse as another.

During the past century scientific discoveries in medicine, chemistry and physics have resulted in untold good to humanity, but, as in the abuse of inventions, in war they were a curse to mankind. In like manner, to-day the abuse of the motor car is a curse to mankind. Looking into the question one finds invariably a tremendous annual loss from deaths, accidents, injuries, and so on. One finds untold sorrow and suffering with intense pain and grief, almost exceeding anything the human imagination could conceive. The suffering brought about by these machines is equalled only by that inflicted by plagues, pestilence, famine, battle, murder and sudden death.

It would be misleading and unfair to attempt to attribute all the blame for these horrors on the highways to all people who drive and use motor cars. The fact is that ninety-five per cent of drivers are trying to obey the law. It is the remaining five per cent about whom I am complaining. They cause the trouble. One has only to see the records to understand the facts. As I study the records of cases I am driven to the conclusion that beyond any doubt the small minority are the major cause of the trouble. They appear to have exploited, for their own pleasure and profit, the generous tolerance of others. They use their cars in an irresponsible, careless and unchristian way. The fault is grievous, and they can have no ground for complaint if they are put under restraint through application of the criminal code. Ignorance and thoughtlessness are not palliatives. Obedience is the only reparation they can make, and it is long overdue.

I should like to quote the observations of the late Chief Justice R. M. Meredith, who was on the supreme court bench for about forty years. These are his words:

> And as now nearly everyone is a car owner, and car driver, young and old, of all sorts and conditions, it is difficult to get justice in even a civil action. Car-driver jurors have nearly all the speed fever; and self-preservation instincts are so strong that they will not be persuaded to decide against drivers who have been no more unlawful than they themselves often, if not commonly, are.
>
> What then is the remedy? I think it should be; make the laws plain and reasonably severe and enforce them; and cancel licences freely. And at the other end of the matter, give no licence to anyone who is not proved to be mentally and physically, and from experience and a knowledge of the highway laws, thoroughly capable.

As I see it, the situation calls for united effort on the part of church members, community clubs, boards of trade, municipal councils and, in fact, all public bodies. Great sorrows, broken lives and shattered homes resulting from such holocaust are just as real as the nation's supreme sorrow following the war. How long will this suffering have to continue?

I believe three features dominate the conduct of motor traffic to-day. First, we must consider the indifference shown by the five per cent of drivers of the rights and privileges of the people using the highways. Then, there is the indifference to the convenience of others; there is excessive speed, and congestion. Ever since man has learned to direct a machine more powerful than himself he has asserted his superiority over his neighbour. "Make way or take the consequences" is the cry of the reckless driver. Yet, this indifference is limited to only a small number. Fortunately only a small group out of the large body of drivers is responsible for the damage. The majority of motor car drivers have only a hazy knowledge of the mechanism of their machines. For absolute control, the only condition in which a car is fit to be driven at thirty miles an hour is when there is perfect adjustment and perfect conditioning. Even so the machine is potentially as dangerous as a loaded gun, and must be handled with equal care and vigilance. A moment's inattention may be fraught with dire results. Every motor vehicle is a dangerous implement, even when controlled by the most expert, and requires incessant vigilance in all circumstances, and especially at speeds above thirty miles an hour.

As I said, transportation should be a means to an end, not an end in itself. I say when the matter is brought before the house and the Department of Justice it is not treated as it should be. It is a major problem, and it is almost impossible for administrators and legislators to give too much time to it. Inside of an hour after the adjournment of a debate is moved, more people are killed. If wooden crosses were used to represent the people who in twelve months have been killed or injured by motor cars they would, if placed a foot apart, cover parliament hill and reach to Lansdowne park. The figures show that last year in the city of Toronto sixty-eight people were killed, 3,608 hurt and 170 drivers were gaoled. In 1938, to date, there are six dead, 295 hurt and 36 drivers gaoled.

I have received the totals from the Dominion Bureau of Statistics; I do not know whether or not it is permissible to place two or three small tables on Hansard, but I believe if I may be permitted to do so it will assist hon. members in realizing the gravity of the problem. One table, No. 13, gives the number of deaths resulting from automobile accidents between the years 1927 and 1936.

It shows that while in 1927 there were 865, in 1936 there were 1,313. In 1928, there were, 1,082 and in 1929, 1,300. The table shows that the months in which there are most accidents are from May to December, including the holidays around the Christmas season.

The second table, No. 14, deals with the deaths resulting from automobile accidents by provinces. Table No. 15 shows the average per 10,000 registered motor vehicles. Another table gives the deaths from motor car accidents in cities of over 40,000 population. In this table we have the figures for Montreal, Toronto, Winnipeg, Vancouver, Hamilton, Ottawa, Quebec, Calgary, London, Edmonton, Windsor, Verdun, Halifax, Regina, Saint John and Saskatoon. The tables are as follows:

Table 13.—Deaths in Canada Resulting from Automobile Accidents, by Months

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1936	1,313	55	38	55	93	89	89	145	185	159	169	133	103
1935	1,224	55	59	65	60	87	94	125	129	156	141	147	106
1934	1,115	34	35	38	49	89	104	147	142	140	133	113	88
1933	955	65	37	46	43	72	83	113	124	109	120	84	59
1932	1,120	79	51	51	53	78	89	127	133	119	137	109	94
1931	1,316	53	52	49	76	111	127	127	179	150	158	135	99
1930	1,290	30	31	38	77	102	127	168	181	163	152	125	96
1929	1,300	41	27	42	66	107	132	192	168	174	157	136	58
1928	1,082	29	25	30	55	74	92	131	145	136	158	106	101
1927	865	16	19	34	49	67	98	121	111	138	92	58	62

Table 14.—Deaths Resulting from Automobile Accidents, by Provinces

Year	Canada	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
					Total Number					
1936*	1,313	7	58	41	371	563	53	47	72	101
1935	1,224	2	57	40	314	571	53	40	45	102
1934	1,115	5	41	52	275	528	41	30	61	82
1933	955	2	47	22	256	416	38	32	64	78
1932	1,120	1	51	49	311	497	42	35	49	85
1931	1,316	5	49	45	355	574	60	50	67	111
1930	1,290	10	54	72	338	517	60	51	77	111
1929	1,300	1	61	47	323	556	68	56	71	117
1928	1,082	2	40	31	279	437	53	74	75	91
1927	865	2	31	25	252	387	32	24	35	77

* Preliminary Vital Statistics.

Table 15—Average Per 10,000 Registered Motor Vehicles

Year	Canada	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1936*	10.59	9.17	12.56	12.27	20.43	9.54	7.07	4.60	7.39	9.52
1935	10.42	2.43	12.97	12.81	18.40	10.12	7.50	4.21	4.79	10.47
1934	9.82	6.94	9.78	17.87	16.62	9.74	5.82	3.28	6.83	8.91
1933	8.82	2.88	11.62	8.20	16.00	8.00	5.53	3.78	7.43	8.81
1932	10.05	1.43	12.39	17.47	18.77	9.35	5.87	3.83	5.64	9.34
1931	10.96	6.46	11.20	13.38	19.77	10.21	7.94	4.61	7.00	11.33
1930	10.40	13.51	12.54	20.67	18.89	9.16	7.57	3.93	7.50	11.22
1929	10.82	1.63	15.30	14.76	19.05	10.12	8.74	4.30	7.12	11.23
1928	10.05	3.68	11.39	11.00	18.79	8.90	7.45	6.08	8.40	10.25
1927	9.15	4.56	10.31	10.19	19.62	8.87	5.01	2.25	4.74	9.92

* Preliminary Vital Statistics.

Table 16.—Deaths in Canada Resulting from Automobile Accidents Reported by Cities of over 40,000 Population

Cities	†1936	1935	1934	1933	1932	1931	1930	1929	1928	1927
Montreal	110	109	101	104	121	143	136	151	109	126
Toronto	80	74	88	65	88	111	67	107	81	87
Winnipeg	19	24	19	18	22	25	30	25	24	18
Vancouver	36	43	25	28	41	46	43	45	42	35
Hamilton	23	16	27	22	20	31	41	37	29	23
Ottawa	21	25	19	25	25	19	24	26	17	17
Quebec	18	17	14	8	14	15	17	17	10	14
Calgary	12	10	11	7	9	12	12	11	13	8
London	21	13	13	20	12	21	18	16	13	9
Edmonton	11	7	9	10	8	16	15	10	8	7
Windsor	22	25	14	16	13	17	15	17	22	24
Verdun	6	6	4	1	5	..	1	1	2	2
Halifax	14	13	10	14	8	9	6	14	10	5
Regina	3	5	5	1	1	11	8	(*)	(*)	(*)
Saint John	5	5	7	1	6	6	12	5	2	4
Saskatoon	4	1	2	3	4	3	4	(*)	(*)	(*)

† Preliminary Vital Statistics.
* Not tabulated.

In France, with a population of 42,000,000, 4,415 people were killed in motor accidents in 1936; in Germany, where they are spending vast sums on road building, with a population of 67,000,000, the number of people killed last year was 8,381; in the United States, with a population of 128,000,000, in motor accidents in 1935, 37,000 people were killed, or half the number of their soldiers who were killed in the great war; in England an average of twenty people are killed each day, or about 6,000 in a year. The figures for England last year were 6,000 killed and 200,000 injured in motor accidents. I am taking these figures from the House of Lords report.

In England, in the ten years up to December of last year, 66,000 were killed and 2,000,000 injured in motor accidents. Fancy, in the mother country alone, 66,000 people being killed and 2,000,000 injured on the highways! An average of two children are killed per day in England. In one year in England 50,000 school children were killed or injured. These accidents are estimated to cost the nation £200,000,000 a year. This estimate is from a new textbook on public highways, published in London, which I am sorry is not available in the library here. It is frequently referred to by the Minister of Transport in England, and I hope the Parliamentary Library will get a copy. That is to say, in a year there are more people killed than there were soldiers killed in the whole Boer war. The hospitals in England are all facing deficits from road accidents. The cost of English hospitals is estimated at three hundred thousand pounds a year.

I ask the government very seriously to consider this question and to let parliament know what they intend to do about it. The traffic on the English roads is very great, greater than elsewhere. In the United States, for example, there are eight cars to every mile; in France, four cars to every mile; Germany, fifteen; England, ten; and in Canada, fifteen. In Canada to-day deaths as a result of motor accidents are a great national scandal.

The key to the situation, in my opinion, is the human factor. The wider the roads, the more numerous the accidents. An examination of one hundred thousand cases of road accidents in the mother country over a period of two and a half years has been kindly sent to me, with a very fine letter of information, by the present Secretary of War, the Right Hon. Hore-Belisha, who so ably presided over the transport department in England for three or four years. I have not time to read it, and I wish I could be allowed to put it on Hansard. I can give a few figures to show what that great Minister of Transport did in the old land, where they have some of the best roads in the world. When they reduced the speed limit to thirty miles an hour the accidents dropped by fifty per cent, and if they could get the speed down to twenty miles per hour the number of accidents would decrease at a further rate. I should like the minister to see a copy of this report which Mr. Hore-Belisha has sent to me; it is a very valuable and interesting document. Mr. Hore-Belisha finds that the relative severity of accidents in areas not built up, and where speeds would normally be higher, is greater; that the proportion of accidents which occur at junctions, especially in built-up areas, is very high; that over one-third of the persons injured were pedal cyclists; over twenty-nine per cent, pedestrians, and over eighteen per cent, motor cyclists or their passengers.

He goes on to refer to the comparative severity of casualties to motor cyclists, over one-third being either killed or seriously injured, and the report gives tables in which the accidents are classified.

I believe, Mr. Speaker, that the key to the whole problem is the human factor, and a study of these cases shows that the wider the roads, and the more you spend on them the more accidents there will be. These accidents, it is shown, occur in clear, not foggy, weather, and it is on week-ends and at Christmas and other holidays that most of the accidents occur. In Canada the bulk of accidents occur after April and continue to the end of the year, especially the summer week-ends and Christmas.

I doubt if our roads policy in this country is a wise one. We have our good roads associations and they are urging legislatures to build more roads; our uneconomic roads creating railway deficits are a nuisance, and I think we have the most uneconomic road system in the world. They compete against our railways, on which we have spent four billion dollars. We allow motor trucks and buses on roads to be used on roads built fifty years ago for horse-drawn traffic, and we let modern motor cars drive over these same roads at a very fast pace of from fifty to sixty miles an hour. It was the railways that ruined the canals a hundred years ago, and to-day it is the motor buses and motor cars that are ruining the railways. The mortality in these road accidents is appalling. Canada's rate is high; England's rate is not as high

as that of the United States or Germany, but it is higher than that of France and Canada for our population. It is a living scandal of first importance; it is disgraceful.

Another menace on our congested highways is the glaring headlights, which in conjunction with beer parlours and the truck traffic, make it impossible to drive in safety in Ontario at night, and conditions are getting worse. Lord Justice Maughan, that great jurist who so ably sat in the privy council said in the House of Lords last fall that all "his experience on the bench went to show that a stiffening of the law would tend most substantially to reduce the number of accidents on the roads." The new wider roads in Germany have not reduced accidents, and in England the experience is that there is an increased mortality in road accidents resulting from the straightening and widening of roads permitting of higher speeds. We as a House of Commons know we can reduce these accidents and we meet and do nothing about it, nor do the press or church.

Compare the accidents in the air or on the railways with motor car accidents and you will find that they are almost negligible in comparison with the holocaust on the highways of this country. At level crossings we have our bells and wig-wags, but according to a return brought down in this house last year there were 175 accidents at level crossings, in which 84 people were killed and 208 injured. The problem is so pressing that there should be no more delay. The government's policy is not simply laissez-faire; it is laissez-mourir—let the people die as they like—let them die for all the government cares. I say, Mr. Speaker, it is impossible to allow such conditions to continue longer in this country. The present slaughter cannot be allowed to continue. Accidents largely arise through a lack of courtesy or because of impatience, hurry, bad manners or because one driver forgets his duty to his God and neighbour and refuses to give way to another.

What is the church of God doing while all this is going on? When we had an epidemic of infantile paralysis all over this country, caused by ragweed and other conditions, the deaths from which were trivial in number compared with the number killed in motor car accidents, the whole press of this country was aroused. We all remember that terrible college disaster at St. Hyacinthe, which is a reflection on our building laws and fire prevention regulations. There was mourning all over Canada for the people of our fine province of Quebec and sympathy with the grief of the parents of the young children who perished in that terrible disaster, and with the heads of that fine seminary of learning and education. If any disease were to take the toll of the motor car, medicine and science would know no rest until some cure for the disease had been found. Look at the fight that science and preventive medicine are making against cancer, tuberculosis, diabetes and other ills. But hundreds of thousands, Mr. Speaker, are being slaughtered or severely injured in motor car accidents in this country; yet the press and the church say little or nothing about it and give little attention to it. We need to deal with this problem along bolder lines.

I want constructive action from the government. True, the Minister of Justice (Mr. Lapointe) is overworked and has already a heavy department and I doubt if we should put this work on him. I was not in the house the other day when a just tribute was being paid to him, but I have known him for a great many years and I am sure he sympathizes very deeply with the object I have in view in this bill and would do all he could to prevent the slaughter, if he could go further, as he always strives to do good. We want definite and immediate action. Constitution or no constitution, something must be done without further delay to prevent this slaughter. Our road system fails to provide the safety it should for pedestrians and cyclists and farmers. In the South African war, lasting two and three-quarter years, there were 7,492 people killed. During a period of the same length in England 16,000 people were killed in motor car accidents. People nowadays in their mad rush and hurry hold life less sacred than they used to, but the grief of parents mourning for their children, the grief of husbands and wives, is just as deep as that of those who lost members of their families in the South African war.

What is the government going to do about it now? These casualties are the more deplorable in that too often they mean that wives and young children are left without the breadwinner. During the South African war it was usual for Queen Victoria to receive news of its progress and of the casualties. One day the war minister walked in and told her that twenty-three of her soldiers had been killed the previous day. The poor old queen wept, and said, "Let a telegram be sent to the relatives of every one of these men." If the king in these days were to send a telegram to the relatives of the 6,000 people who were killed and the 200,000 who were injured as a result of motor accidents in England last year, he would have no time to do anything else.

It shows that to-day we hold life less sacred than we used to do. In my opinion the church of God should be up and doing. It is not doing all it should do; it should take some constructive action. Are our Canadian people entirely lacking in any sense of balance while all this goes on?

I have already referred to the dangers of delay. The pedestrian, in crossing the street, is somewhat to blame. There has been some reduction in the number of child casualties because the cities have guides to conduct children across the streets.

In my opinion this is a great national evil, and it is a shocking and scandalous state of affairs that it is going on all over the country without anything being done by anybody. What do the legislatures of this country do? Nothing. What does this high court of parliament at Ottawa do? One of its branches, the senate, goes off on a three weeks' holiday, saying, "We have no work." There is work to do right here. Look at what the House of Lords did in regard to this question. Would our senate do it? No chance! I have before me the report of a debate in the House of Lords, in which right honourable and right reverend prelates of the church of England who took part emphasized the importance of dealing with an evil which is crippling the mother country by depriving her of the flower of the nation, the youth of the day. I ask the church of Canada to be up and doing, to bring this problem to the attention of the people and of parliament. It is not a political question—far from it. I put it before the minister at this time and hope to be able to offer some constructive suggestions. The Right Honourable and Right Reverend Bishop of Winchester in the House of Lords made some splendid practical suggestions. This right reverend prelate called the country to arms to stop it all.

Coming to the bill itself, on the second reading we can discuss only the principle of the measure not the clauses. As regards the clause referring to drunken drivers, the hon. member for Fort William (Mr. McIvor) made in the last debate a very wise remark about beer parlours, which was taken up by a section of the press, about drunken drivers, and the experience of other countries confirms what the hon. member said. My right hon. leader also alluded to this matter in a very able address he made last session. I have drafted a new clause this year to take care of this point, because, according to some judges, you cannot convict or it is hard to convict under the present section of the criminal code which is full of loopholes. I have therefore stricken out the old clause and substituted:

(4) Every one who, while under the influence of alcohol or of any narcotic, to such a degree as to make him incapable of exercising a safe and proper control of any motor vehicle or automobile, drives or attempts to drive such motor vehicle or automobile, is guilty of an offence—

And why should he not be? Why are these people allowed to go out in such a condition on highways built for traffic as it was fifty years ago, roads constructed in the ox-cart days, as were our rural and some suburban and urban roads—for I do not refer altogether to the improved roads. Why are they allowed to go out on roads suitable only for horses and horse-drawn vehicles and rush recklessly along at fifty to sixty miles an hour, to send people into the cemetery in the twinkling of an eye? I say it is all wrong. It is race suicide.

We then come to another section, "Racing and cutting in." The investigation made by the Minister of Transport in England shows what terrible tragedies result from this practice. The right honourable prelate in the House of Lords, the Bishop of Winchester, called this pest "cads."

On page 2 also is a subsection, "Causing death in a culpably negligent manner." It takes two people to make an accident, and the question of fact is for the jury. In many cases the decision has been taken from the jury.

"Person having caused death not to drive for two years." Why should a man who has killed another person be allowed to drive within two years? In my opinion he should not drive any more. I know that if I killed a person I would not want to drive again.

It is also provided that persons shall not drive if under eighteen years of age. Objection may be taken to that clause. May I inform the house that, in the debate in the House of Lords, speaker after speaker rose and said that nobody can drive a locomotive on a private right of way unless he is a skilled man, and yet immature boys and girls of fourteen and sixteen are permitted to drive cars. I was on the street the day before Christmas. A Toronto Transportation Company street car was diverted down Bay street along Wellington between Bay and Yonge to get around the loop more quickly. There were trucks about, and one truck blocked the street car. The motorman and the conductor got out to move the truck. There were about twenty-five passengers in the

street car. But neither conductor nor motorman could move the truck. A boy of twelve moved the truck. He was asked how old he was and he said he was twelve years of age. He could drive when he is twelve; boys who say they are fourteen think they should be entitled to drive when they are only eleven. Remember the accident at Vineland last September, where a school boy who was driving four or five of his companions, girls and boys, towards a railway crossing did not hear the bell or see the train, and all of them were blotted out. I agree with the hon. member for Lanark (Mr. Thompson) that the age limit should be raised. The motor car is the most dangerous mechanism that we have. Why should somebody of immature age and judgment be allowed to drive? The Reverend Mr. Austin Ireland, M.A., anglican rector of Thorold, who conducted the burial service on these Vineland people, cried out from the pulpit to parliament to put a stop to such conditions, and driving by children of immature age although some are good drivers. No doubt many of our best drivers are quite young, but owing to the abuse of the permission to people to drive when under age, something should be done about it.

As to confiscating cars, if one looks over the criminal code he can find many confiscatory clauses. They confiscate pistols; they confiscate all kinds of things of personal property under the code; why should not parliament extend the power to cover such criminal offences by drivers of cars?

To cover all the matters referred to would take too long, for there are other bills to be considered.

Regarding driving when a licence has been suspended, that has been done in many cases, and it is only common sense that under the code this should be made an offence and a penalty exacted. Also we have those hit and run drivers, the cowardly people who leave their victims lying on the pavement. I could show hon. members some photographs of these victims—men and women and little children, even babies, knocked down on the road, and the drivers have escaped. The section should be stiffened up all along the line.

I have mentioned that the court may impound the motor car. Why should not a person who drives recklessly or negligibly a highly dangerous machine not have the control of it taken away from him? Why should not the licence of such a person be revoked? No wonder people are being killed; our criminal code is twenty years behind the times in the way it deals with this problem. It is the function of juries to take the law to be what the judge says it is, but to decide questions of fact, but in a large number of cases the judge takes the case away from the jury and allows the defendant to go free.

This bill is not perfect by any means. I do not profess that it is. I cannot be expected, as a private member without adequate help, to do all that is required. I have brought the problem forward a number of times and laid it before this parliament. I have done my duty as I see it. I have no apologies to make. What are hon. members going to do about it? Are they going to allow the respected Minister of Justice just to rise after I sit down and move the adjournment of the debate, or are they going to continue this discussion and demand immediate action? A great prelate said in the House of Lords that this was the most important domestic problem England had. The Bishop of Winchester, who made that remark, also told the House of Lords that if they did nothing else but continue to sit every day for a month until they solved the problem, their time would be well spent, and this was the solemn duty of administrators and legislators. The representative of the Minister of Transport in the House of Lords was asked what he intended to do about it. He was not allowed to escape by moving the adjournment of the debate, but had to appoint a select committee. He offered to appoint a commission, but the House of Lords, being practical men, would not accept that suggestion. The matter had been made a football of long enough. They wanted a committee. After what I have seen of committees, however, I have not, for some of these select committees, the respect I used to have.

I submit that the road contractors and cement people have too much influence in these good conventions at the present time. They go up and down the country, they go to the conventions, and they have such influence both in and outside the conventions that they will do anything to persuade the legislature to spend more money on existing uneconomic roads. Let the government announce some practical action here and now.

I have given only a small portion of the facts I have, and if the minister has no objection I should like to put on the record the two pages of tables from which I quoted. In fact, I read most of it. It was obtained from the bureau of statistics and it would give hon. members a good idea of the situation.

That is all I have to say in moving the second reading of this bill. I make the motion in the hope that something will be done, and I trust that other members will speak. They have an opportunity to-day to

take part in the debate now or never. They know the findings of their magistrates and county court judges and juries all over Canada. Let us support the law officers of the crown; let us support law and order in the country. We must have order on the highways so that Canada will be leading the van instead of lagging behind the motherland and Germany, France and the United States in coping with this awful death problem.

This is not a party matter. No one knows who will be the next victim. I may be the next one, some hon. gentleman sitting in this chamber to-day may be a victim, and I would be sorry if any of them were not here next year. I ask them, therefore, to rise in their places and express the views of their respective constituencies. Let them tell us what they think of the law and what, in their opinion, should be done to deal with this terrible menace that is ruining the lives of men, women and children and shattering the homes of the country.

Mr. F. C. BETTS (London): In rising to second the motion I should like to commend the hon. member for Broadview (Mr. Church) for his persistence in pressing this matter and for the eminently thorough and practical manner in which he has presented his arguments in support of the bill. I can add very little of use to what he has said, but there is something that I should like to say.

In my opinion, the provisions for cancellation or suspension of licences are particularly useful. We have tried to deal with the senseless slaughter on the highways to which the hon. gentleman has had reference, and to meet the situation by means of short terms of imprisonment and fines, but our efforts have been entirely fruitless. As my colleague has pointed out, the motor car has become such an integral part of present day life that if we deprive motor owners of the right to use their vehicles as a punishment for offences committed while they are in control of their cars, we are proceeding in a manner which will impress these people, and the only manner which will impress them.

In my view the right to use these extremely dangerous machines is conferred after a very superficial test. Much could be done by more severe regulations along these lines. Practically every accident on the highway is preventable. As a practising lawyer who has had many cases to review, I can say that a careful analysis of almost any accident will show that it was caused in the first instance by excessive speed and in every instance by failure to take adequate care.

It is a great pleasure to me, therefore, besides being a duty, to speak in support of this bill. I would qualify my remarks on the second reading by saying this: I doubt whether we shall be any further ahead by substituting the words "under the influence of alcohol" for the word "intoxicated." That is a matter of terminology, and no matter how the condition is described in legislation it is a question which will always present grave difficulty to any tribunal that has to pass upou it. In the main, however, the bill is an excellent one, is much needed legislation, and I hope it will receive the support of the house.

Right Hon. R. B. BENNETT (Leader of the Opposition): I have given a very great deal of consideration and thought to the number of accidents that are occurring on our highways, with loss of life, through motor cars. I fancy that every member of the house has done so, and I doubt if there is any of us who has not had occasion to regret the loss of a friend suddenly through some accident of the sort. I recall so many instances; I recall one in which, only a few hours before, I was talking to a young woman, who was going away happily, and then I took up the newspaper and found that she had been killed at a street corner in an accident which, of course, might have been prevented.

The question before us is a very simple one: Shall we make a criminal offence, punishable in the manner indicated in this bill, of violation of a statute which we are about to create with respect to accidents of this kind? Frankly, I think we should. I think the time has come when we can no longer permit laxity of control to prevail in Canada.

Dealing with a matter of principle, here we have to consider the question of restraining young people from driving cars. Now, I have had occasion, as I doubt not every member of this chamber has had, to regret seeing young persons driving motor cars. A motor car weighs very frequently two tons; it seldom weighs less than a ton or a ton and a half. Practically any one of them, however small it may be, will weigh over a ton—I refer to those used in this country. It is true that motor cars weigh less than that in the old country, the small Morris car for instance. To entrust a child of eleven, twelve, thirteen, or fifteen or sixteen years of age, boy or girl, with a machine of that kind upon the highway, is in itself a lack of prudent caution on the part of those who have control of these children. See what it

means. The momentum with which that body will strike any given person or machine is obtained by multiplying the rate of speed by the weight. If it is going at only ten miles an hour, one gets some understanding of the tremendous momentum with which it strikes any person who may be in the way of its movement forward. Can we afford as custodians—we are custodians in a large sense of the safety of the public of this country, in that sense at any rate—can we afford to permit this thing to continue, to have these people driving cars?

The second principle is the suspension of the licence. We have not been doing that in this country to the extent which we should. You may say that the provinces can deal with this, but the provinces cannot adequately deal with the question of the criminal character of the offence, and it should not be a law that applies only to one province, it should be universal and passed by this dominion. In England, where of course they have one law, there is a certain well known peer who drives a car very rapidly. He has had his licence suspended for a year's time. The other day they suspended for life the licence of one who under the influence of intoxicants was driving his car at a high rate of speed, resulting in injury but not death. There is only one way in which you can make control effective in this country, and that is by an amendment to the criminal code; because it is useless to talk about making it effective in Ontario and not in Nova Scotia. We must have a law applicable to the whole dominion. I know of no better field in which you can utilize the criminal law than in that very field. After all should it not be a crime thus to endanger human life? We have our criminal code filled with sections dealing sometimes with mischief, sometimes with conspiracy, sometimes with various small matters, but we have never been hesitant in declaring that any offence against the safety of human life should be regarded as a crime. Is it not the duty of this parliament now to take adequate steps to safeguard those who are travelling on the streets of our country on foot? The House of Lords held—and I commend to my friends in this chamber the reading of Lord Buckmaster's judgment—that it is the pedestrian who has the right of way, not the machine. I can never forget seeing, when passing through the village of Ipswich after that decision, a mother with her child saunter across the street just as leisurely as was possible, while the motor cars had to slow down and wait while she went over. Pedestrians have the right of way. Tell me, Mr. Speaker, to what extent have pedestrians the right of way in Canada? Ask yourselves that question. All of us know what it is to dodge out of the way of motor cars in this country. They drive by with as much nonchalance and complacency as though they owned the road and we were trespassers. Has not the time come to assert ourselves and say that people who thus endanger human life have committed a crime—because in my judgment it is endangering human life and should be made a crime.

I think this statute is not sufficiently stringent with respect to the suspension of licences. I should like to have it provided in the sections which follow that after the first offence the licence be suspended for a period of years, and I should like to go as far as having it suspended for life. That is the only way that my safety can be secured. Let us be personal and selfish about it; what right has the Minister of Justice to have his life endangered, when he crosses the street to-night, by someone who says, To the blank with him; we are going to drive our car as we see fit. It is a dark night, he is struck; the driver leaves him dying and rushes on. That happens in this country; you only have to read the daily press to see it.

The figures given by the hon. member for Broadview as to the number of deaths resulting in Great Britain, Germany, the United States, Canada, are simply appalling. Think of 37,000 people being killed in the United States in 1935. There are communities in the United States that you and I have been in where we have to dodge to get across the street without being hit by a motor car. We know of one city in particular in Europe where the pedestrian has to risk his life any time he tries to cross the street. Is it not time we should intervene, and should we not intervene in the public interest.

As to the question of those driving cars under the influence of liquor, I think nothing except the most powerful punishment will have any effect. When two or three men are tied up in penitentiary for a year or two for driving motor cars while under the influence of liquor it will have the effect of stopping them. I wonder how many hon. members have seriously analysed the number of accident cases that are referable to drink. I confess I have. I have been appalled to find that nearly all the fatal accident cases may be attributed to drink. I am sorry to say that, but it is true. Carry your minds back to these things. I am not referring to that terrible accident where those driving the car were under age; I am referring to the class of cases that make the second branch of what I have to say, namely the class in which accidents occur by reason of the drivers being under the influence

of alcohol. The question of defining when a man is intoxicated has always been a matter of great difficulty. For instance, habitual drunkenness is defined and interpreted in a recent English statute. The question of intoxication has usually been regarded as a matter of proof, and it is for the jury or the judge, as the case may be, to draw the inference from the evidence as to whether or not the person was under the influence of intoxicants so as to be deprived of the power of control which is essential in the driving of a machine such as a motor car.

Laws, Mr. Speaker, are of two kinds; at least there are two phases in which we can consider them. One is the punitive effect, that is, the punishment of the offender; the other is the deterrent effect. If we enact a provision of this kind I submit we shall produce a salutary effect upon drivers of motor cars; it will operate as a deterrent against men going out to drive cars while under the influence of liquor. I believe that. It has been my experience with respect to law and its administration. I am confident that the deterrent effect of a statute of this kind is not easy to over-estimate. Why? Because it has behind it a sound body of public opinion. One of the main reasons why sometimes some laws are better enforced than others is that you have behind them an enlightened and powerful public opinion. I am satisfied that the public opinion of this country demands that we should make it punishable, severely punishable, if you will, to drive a motor car under the influence of liquor.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: That being so, let us grapple with this matter and not offer any apologies with respect to it. It is all right to say that the provinces have laws; so they have. But the criminal code is another thing altogether. It applies from coast to coast; it puts all provinces on an equality; it makes possible the punishment of the man in one part of the country equally with the man who lives in another part. In my judgment it leaves the whole situation in a proper perspective with respect to the risks involved and the danger incurred when you have a motor car under the control of one who has been using intoxicants improperly.

The question whether or not a jury may return a verdict on a manslaughter charge for culpable negligence has long engaged the attention of those who are familiar with the development of criminal law. Manslaughter is of course based upon the assumption that there has been culpable negligence, but juries are human and prone to say: We will not convict our friend of manslaughter; it is a terrible thing to contemplate, but when the alternative is put to them in the form indicated by this bill, a conviction for culpable negligence, you have a situation of an entirely different character. I do believe that the count for culpable negligence in an indictment would do much to make punishment of the offenders secure and possible where now they escape. All of us unfortunately know, Mr. Speaker—and perhaps it is to the credit of human nature—how difficult it is for a jury of men to sit down and say that their neighbour is to be found guilty of manslaughter. They find it difficult to believe that he was so oblivious to what was going on and so absolutely unconcerned that he did not take proper care, and that manslaughter was the result. But you ask them whether or not they are ready to convict for culpable negligence and that sounds different. That does not sound so bad. After all he may have been just a bit negligent in his job. He may have become careless; he may have been lighting his cigarette or his cigar; he may have failed to take those steps which a man should take to ensure the safety of the passer-by on the street or the highway. If he has done so it seems to me that the question of making it possible to find a verdict of culpable negligence, when the charge of manslaughter is too offensive in the mind of the jury, should be a matter with which we should deal.

There remain only two other matters in the bill that need be mentioned at all. One has to do with the functions of judge and jury. You will remember, Mr. Speaker, that it was the act of a great jurist in Great Britain that decided that it was for the jury to come to a conclusion on the question of libel or no libel. Now the question of fact for the jury to determine is as indicated in this section which is part of the bill. It should always, it seems to me, be a matter of fact to be determined by the judge if sitting as judge and jury, and by the jury where there is a jury.

I should like to add just one word more, with regard to the question of impounding motor vehicles. I have not been practising my profession, except to read the cases, for over ten years. One of the last cases in which I was engaged concerned a motor car, a new Cadillac, which came from the province of British Columbia into the province of Alberta laden with liquor, in contravention of the provisions of the Alberta act. The government of the province seized the car

and the liquor. The magistrate convicted the accused of an offence under the statute and confiscated the car.

Mr. LAPOINTE (Quebec East): Was it under the criminal code?

Mr. BENNETT: No, under the liquor act. I think one prosecution was under the criminal code and the other under the liquor act, but of course it was under the liquor act that they confiscated the car as well as the cargo of liquor. I was entrusted by the government of Alberta to deal with the matter and ultimately the case went to the privy council, where it was decided that it was properly confiscated.

If we confiscate a car in the province of Alberta because it contains liquor coming from British Columbia to Alberta, what would you think about simply confiscating a car that kills a man? What would you think about making automobile drivers understand that this sort of thing is not going to be tolerated any longer in Canada? What would you think about making it clear to the man who has eight or ten thousand dollars invested in a car, "You are running the risk of losing that eight or ten thousand dollars by your carelessness, by your negligence, by your disregard of the rules that ordinarily should govern the conduct of men." Sometimes—I am sorry to say this, Mr. Speaker—the measure of carelessness is the measure of newly acquired wealth that enables a car to be purchased costing a large sum of money. That is a very terrible thing to say, but some of us have seen newly acquired wealth express itself in very expensive cars, and drive by with such an entire and utter disregard of the convenience of others; whether it splash them with dirty water from the street or hurl them into the ditch is a matter of profound indifference.

Should we not take steps to stop it? We have the power. We should not leave it to the provinces to deal with it, so that one does and the other does not; we should make it of universal concern in Canada to see that this thing is stopped and that the man whose car brings about this result is punished. It has been part of the law in England from the very start of things, and it is the law upon which was based that old theory of the deodand, that anything that brought about the death of a subject could be destroyed or forfeited; confiscated, as we say sometimes. Forfeited to the crown is the other expression. It was amazing what excellent cars the province of Alberta did get by reason of its confiscation of those automobiles, for the purpose of carrying on its ordinary business, without having to buy them. It was an amazing thing. If, for instance, the mounted police and others of our organizations that require motor cars had them provided at the expense of some of these negligent persons I think it would be a very salutary lesson on the one hand and a very easy way to get motor cars on the other. It might be worthy of consideration; I am sure the Minister of Finance (Mr. Dunning) would be interested.

I do not desire, sir, to take up the time of this house with any further observations. I suggested to the minister that I might speak before he did; not that I think I can in any sense influence his judgment. Far be it from me to assume any such thing as that, but I know how judicial will be his approach to this difficult problem, and the observations I make are expressed in the hope that as he does approach it he will realize that any action he takes to bring about the results which are indicated by this bill will, I believe, meet with the warm approval not only of the members of this chamber but of that great public outside the chamber who are running the risk every day of having their lives taken from them by the carelessness, the indifference and sometimes the drunkenness of those who have these machines under their control.

Mr. DENTON MASSEY (Greenwood): Mr. Speaker, I had not planned to speak on this bill but, having listened to the three excellent speeches which have preceded mine, I am convinced that there is a point which is of the greatest importance and upon which as yet no comment has been made. Accordingly I am taking the liberty of speaking before the right hon. Minister of Justice (Mr. Lapointe) in order to direct his attention to it, so that he may incorporate it in his reply, a matter which seems to me to be fundamental in connection with the principle of this bill.

I listened with a great deal of interest, as I always do, to my colleague and neighbour the hon. member for Broadview (Mr. Church), and I congratulate him, as I do the hon. member for London (Mr. Betts) and my right hon. leader (Mr. Bennett), who followed, on their approach to this matter, endorsing most heartily what they had to say. On the other hand it seems to me that the bill under consideration at the moment fails to go far enough and stops really far short of the point which I think should be reached. The bill deals with effect rather than with cause.

By that I mean, who are driving cars? Who get licences to drive cars? How do we know that those who are driving cars are qualified to do so? The hon. member for Broadview referred to the record that had been achieved in Great Britain, the lowering of the number of accidents occurring each day or each year, if you like.

Those of us who have visited the United Kingdom recently have seen attached to licence plates a white plate bearing the red letter "L", indicating that the one in charge of the car is a "learner" or a probationer as an automobile driver. He has applied for his licence and has come up to certain qualified standards, and from then on for, I believe, at least the period of a month, and in some cases as long as three months, he must carry the learner's plate on the rear of his car. This indicates to all and sundry that he is not as yet a qualified driver, and to look out for him. He is not permitted to drive alone at any time during the learner probationary period. He must have accompanying him one who is the holder of a full licence.

I think all who have had experience in driving cars in Canada realize that both on our highways and in our cities there are drivers who are by no means intoxicated, but who act as if they were. I have seen signs on the back of cars which read, "Look out; I may do something foolish." That seems to be one of the best signs which could be attached to some cars I have seen. All hon. members must realize that, as the hon. member for Broadview said, in the vast majority of cases it takes two to make an accident. We have all had the experience where the driver in front of us or the driver coming in from our right or left, or the driver coming towards us, has done something extraordinarily foolish, which has manifested to us the fact that he did not understand the control of a motor car.

There are people driving motor cars to-day —we all know them—whose vision is impaired. There are those who are colour blind, who cannot tell a red light from a green one. There are others who are entirely unfamiliar with the mechanical operation of any machine, let alone an automobile. They know that if they press forward their left foot, shift the lever, and press the right foot as they let go with their left—so far as one can let go of one's foot—the chances are the car will start. After that, heaven alone knows what will happen. Yet, for one reason or another they have been able to convince someone that they are qualified drivers of motor cars and are then permitted to take charge of their cars, and proceed through our cities and on our highways.

I know that at the moment the granting of driving permits is in the jurisdiction of the provinces, and for a permit to drive a car, one applies to an official in his own province. Notwithstanding anything that has been said so far in regard to drunken drivers, and all that it implies, or in regard to reckless drivers, and all that that implies, it seems to me the fundamental cause of accidents throughout the country is the fact that so many who are driving cars are not qualified drivers in fact, but only in name.

It seems to me that as we have here a national menace, the granting of licences should be a federal function, and could come under the control of federal regulation and law, rather than have the granting of licences left to the individual provinces. Perhaps control might be under the criminal code, or whatever statute would be suitable.

Let me illustrate. Let it be assumed that the laws of British Columbia are extremely strict in the matter of examination for a driving permit, whereas the laws of, say the neighbouring province of Alberta may be less strict. I do not know what the conditions are in those provinces, and I use them simply in a hypothetical case. Yet the man who receives a licence in the province where the requirements are not rigid can go to the province where the requirements are rigid and drive with just as much freedom as he would have in his own province.

Therefore we have here a national question. Implied in the bill is the desire to curtail accidents, and to reduce them to a minimum. When I say that the bill has touched upon the effect rather than the cause I mean that we have left out the most important single facts in the whole question. Therefore I would heartily recommend to the minister that in addition to what is covered by this bill he might give consideration to what I have just suggested, and turn his mind to the question whether or not it is possible, or if you like, within the jurisdiction of the criminal code, to make it criminal to drive a car without adequate knowledge of it, and without being fully capable of so doing.

One more word and I shall have finished. Those of us who have been in the United Kingdom recently have realized that they have gone a long way in traffic regulation through what is called "controlled" and "decontrolled" areas. In certain areas, or rather along certain stretches of highway, one sees the now familiar signs and realizes that he

is not under any circumstances permitted to drive over thirty miles an hour. Then along other stretches he sees other now familiar signs, bearing different markings, and he knows there he can drive at any speed, provided he does not drive recklessly. The combination of "decontrolled" and "controlled" areas, along with the new requirements for the gaining of a licence in great part have brought about the substantial lowering of the number of accidents noted in the United Kingdom.

Then, further, our highway laws vary from province to province. To drive in one province under one set of laws, and to drive in another under another set, is confusing to the traveller. Who knows, as he travels from province to province, or even from town to town, whether he can turn to the right on a red light or whether he cannot. He does not know whether he may drive at only thirty miles an hour on a highway or whether he may travel at fifty. It is all very well to say that no one should proceed from one province to another without fully acquainting himself with the various laws in the various provinces. But, after all, we are approaching the stage when a trans-Canada highway will be an actuality rather than a politician's dream, and probably we can think about driving from one end of the dominion to the other, through the nine provinces.

Surely when we consider the awful toll that is being taken upon human life, not only in cities but on our highways, a toll not only due to intoxicated drivers or reckless drivers, but partly as a result of drivers without adequate skill to drive a car at all, a lack of knowledge of the machine itself and a lack of knowledge of the traffic laws in the provinces, it must be realized—and I am quite sure my right hon. friend will agree with me—that there should be some dominion-wide, common code which could be recognized as the highway code of this whole dominion. Perhaps that is not easily accomplished. I can readily understand that the right hon. gentleman will see many hazards in the way of each of those matters, but I think that when we consider the bill we should also consider the matters I have mentioned, in addition to that which already has been so ably said by hon. gentlemen who have spoken before me.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I had not intended to say anything on this matter, but the older I get the more determined I am to give credit where credit is due. I am convinced that at least in Ontario we are tightening up in the enforcement of traffic laws. I should like to give one concrete example. In the forenoon of one of the holidays a citizen in my district drank a bottle of beer. He and the group with which he was associated were having a picnic in the afternoon and he was driving his car. He was summoned to court because he had taken the beer in the forenoon, and had to spend two weeks in gaol. I have noticed considerable tightening up in Ontario, and while I may not agree with everything done by the premier of that province, I must say that when he takes a thing in hand he gets somewhere with it.

I should like to find out the cause of our accidents.

Mr. SPENCE: Most of it is through lack of courtesy.

Mr. McIVOR: I know that some men are allowed to drive cars who are thinking of two or three things at the same time. I know, too, that some of our youth even at sixteen years of age can drive cars better than I can. I should like to know how many accidents are due to intoxicated drivers. If our government will allow at one place the thing that causes accidents and then condemn it at another place, I think it is time we were sure of the cause of our accidents. I am not so sure that extreme punishment will prevent them. I backed into a street car once, but I never did it again. I think intelligent men and women will profit by the mistakes they make. The accidents to-day are appalling, and I will support any law or anything that will help to save the lives of our citizens, and especially of our women and children who cannot afford a car.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I should like to say just a few words on this bill, from another angle. Many members have spoken from different angles, but I do not think anyone has so far touched on the cost to the public as a result of these accidents. The large increase which has taken place in the number of injuries and accidental deaths over the past ten or fifteen years has had a very considerable effect in raising insurance rates in respect to the automobile. One must realize that insurance is a cooperative proposition; therefore it affects every individual, and if we are to continue to have more deaths and injuries from automobile accidents we are going to have increasingly higher rates of insurance.

Some twenty years or so ago, in the list of the causes of death under life insurance policies over a period, it used to be that diseases of the heart and arteries stood first in the causes of death; next came cancer, and down in the ninth or tenth place, accidents. But gradually over a period of years, due to higher

speed and so on, and the increasing number of accidents which took place, we find that while diseases of the heart and arteries still stand in the first place, with cancer next, the third most prevalent cause of death to-day is accidents, and the increase in the number of deaths from accidents is practically all accounted for by the automobile. Despite the fact that preventive medicine has had such a tremendous effect in increasing the average span of life, automobile accidents are counteracting that benefit to a great extent, and life insurance is not getting the benefit of a decrease in the number of deaths generally. If we do not do something about these accidents, life insurance premiums may have to go up. Certainly they will not decrease as they should, and that affects everybody.

There is one other matter to which I should like to refer. I do not think it is the habitual drinker who is causing these accidents and deaths; I believe it is the man who takes drinks only now and then. These occasional drinks speed him up. Speed is another factor that is contributing to the increase in the number of automobile accidents—speed out of all proportion to the safety of road traffic. I certainly shall endorse this bill.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, there seems to be a strong consensus of opinion in this chamber as well as outside in favour of some tightening of the law against reckless driving on the public highway. I am in sympathy with the general principle of the bill that has been submitted by the hon. member for Broadview (Mr. Church), and I also agree with most of the sentiments which have been expressed here this afternoon.

In addition to the many causes that have been given for the higher mortality on the public highway, there is one other which perhaps I should mention. It is that our public highways to-day are used more and more for the transportation of goods, as well as for providing services between various communities in this dominion. The transportation of goods over the public highways between towns and cities and provinces to me is a matter of great concern, and I have no doubt that this traffic contributes to a very large degree in creating conditions of greater danger on the public highway. We find these great vehicles constantly on the highways, creating a hazard which never existed before, and I have in mind the vehicles that are used by both individuals and corporations. It is not uncommon to find on the public highway to-day a heavy vehicle itself weighing many tons, carrying a load of eight or ten tons, and often it will have one or two, and sometimes three, trailers behind it.

In connection with this transportation of goods a question arises which does come under our jurisdiction, and that is the question of the welfare of the men who are hired to drive that kind of vehicle. I have no doubt that the companies engaged in this kind of business select the best men they can get, but it is not uncommon for these men to be out with a vehicle for long hours at a stretch. They may be out for ten or twelve or fourteen hours at a stretch. While the man may not be driving the truck all that time, nevertheless he is on duty indirectly for the whole of that period, and a man who has been out with a truck or other vehicle for eight or ten or twelve hours at a time is no longer in a fit condition to drive on the public highway. This in itself creates a greater hazard both for the trucks on the highway and for traffic in general.

I realize that the granting of these licences is exclusively a matter of provincial jurisdiction; nevertheless I feel that in view of the number of accidents on the highway and in the interests of the individuals themselves, something should be done by tightening the existing law to make the punishment fit the crime at least in some instances. A driver who has been found guilty of driving a truck or car while under the influence of liquor should not be allowed to drive on the public highway for quite a long time. He should not be allowed to drive a truck or any other vehicle, and in addition the car he was using should be impounded for a certain length of time. That would be one safeguard for the public. I do not drive a car myself, and so I can speak perhaps more freely.

I hope that the minister in dealing with this question this afternoon, and after attempting to gauge what public feeling is in the matter, will not take a negative attitude in regard to this bill. His department, I have no doubt, has been engaged in studying this question for some time, and I hope that he will give his general approval to the principle underlying this bill in order that we may take in this house steps which will tend to make traffic on the highways much safer than it is at the present time.

Mr. A. H. MITCHELL (Medicine Hat): I have driven many thousands of miles, in many provinces, in several countries, and under all manner of circumstances, and I have a great deal of sympathy for the average motorist and for the administrators of the various laws governing behaviour on the highways. I know there are many avoidable accidents as well as

some that are unavoidable. I know also that the demand for speed and the construction of automobiles with tremendous acceleration, power and high velocity appeal to something in my nature that makes me behave differently in an automobile and on a highway than I would do in a drawing room. I speak simply as an experienced automobile driver, and I say that I do not believe laws can be passed to make people courteous and considerate of the rights and privileges of others. In a matter of this kind, where the safety of life and limb is involved, the deterrent effect of these proposed amendments to the criminal code appeals to me, and I feel that the matter should be effectively dealt with, and not lightly dismissed. If this particular bill is not passed, some measure having at least the same effect should be substituted for it.

Right Hon. ERNEST LAPOINTE (Minister of Justice): May I say immediately that it is my intention to introduce a bill to amend the criminal code, which will be rather extensive, containing alterations of many sections; that not only the proposal of the hon. member who introduced this bill (Mr. Church) but the various suggestions which have been made this afternoon by the speakers will be carefully and duly considered and weighed, and that we shall try to carry out any proposal which is possible and which comes under our jurisdiction, if there is some improvement to be made.

This has been a very interesting discussion, although to some extent a painful one. There is no doubt that the number of deaths caused by motor accidents in Canada is appalling, and that the progress of the motor car levies a heavy toll upon the lives of our fellow citizens. It is the same and even worse in other countries.

The sponsor of this bill has referred to a debate in the British house on this very question, in the month of December. I have read that debate, which any hon. member can see in Hansard of the House of Lords of December 8, and I find from the interesting discussion which took place there, that they are far from considering that the state of the criminal law is the cause of the numerous accidents which happen in the United Kingdom. Indeed, among the matters incident to the discussion, speakers dwelt, for instance, on the consideration that their roads had not been built primarily for the use of motor cars. They spoke of curves, and so forth, and it was suggested that, even at the cost of millions of pounds, the roads should be rebuilt, it being thought that was the main cause of the accidents. They discussed the question of regulations, of an examination, for example, every year when a driver comes to renew his licence.

The point which the hon. member for Winnipeg North (Mr. Heaps) has just raised, of competent drivers who are compelled to work for too long hours, also may be relevant to the cause of accidents. But these matters can not very well be dealt with under the criminal code. In the British parliament, of course, they control all that, while here in Canada the provinces control the roads, the licences, and the age of the drivers. I shall consider the subject carefully, but I am free to confess that if a province enacts a statute that the minimum age at which a person may receive a licence shall be sixteen years, or seventeen years, or eighteen years, we cannot legally by an amendment to the criminal code make it a crime. I am not convinced that this parliament can take such action. However, the question is so tremendously important that I am willing to consider everything which has been suggested to-day, to see whether there is not a possibility of making some progress towards doing away with at least part of the evil. I do not know that even a conference as between the provinces to come to some sort of uniformity in the regulations would be effective; that, as suggested by my hon. friend Mr. Massey—I always forget his constituency—

Mr. MASSEY: Greenwood.

Mr. LAPOINTE (Quebec East): I am thinking of him more than of his constituency. I do not know that it will be possible to arrive at some sort of national method or policy in connection with our highways.

This having been stated, I agree almost entirely with what was said by the hon. member who introduced the bill, with regard to the principles governing the matter. It is when I come to connect the bill with those principles that I find some difficulty about the matter. For instance, I am in agreement with my right hon. friend the leader of the opposition (Mr. Bennett) with regard to those who drive cars while under the influence of liquor. It is unthinkable that any one who has not his faculties should drive a car and endanger the lives of men, women and children on the streets or on the highways. But when we come to such a definition of the law as will prevent such accidents there are difficulties to be dealt with. For instance, I am afraid I do not agree that the changes suggested by my hon. friend would be an improvement. Instead of the word "intoxicated" he suggests the words—

Mr. BENNETT: "Under the influence of alcohol."

Mr. LAPOINTE (Quebec East): Yes, but it is more than that. The words are:

. . . under the influence of alcohol . . . to such a degree as to make him incapable of exercising a safe and proper control of any motor vehicle or automobile.

I am not sure that this would not loosen the law instead of tightening it; but, again, I am willing to give the matter the most careful study.

With regard to subsection 7 of section 3 it is proposed that:

Any person who, by the operation or use of any vehicle in a culpably negligent manner, but not wilfully or wantonly, occasions the death of another person, shall, upon conviction, be liable to imprisonment for a term not exceeding three months or to a fine of not more than one hundred dollars, or to both.

Section 951 of the criminal code provides:

Every count shall be deemed divisible; and if the commission of the offence charged, as described in the enactment creating the offence or as charged in the count, includes the commission of any other offence, the person accused may be convicted of any offence so included which is proved, although the whole offence charged is not proved; or he may be convicted of an attempt to commit any offence so included.

Subsection 3 reads:

Upon a charge of manslaughter arising out of the operation of a motor vehicle the jury may find the accused not guilty of manslaughter but guilty of criminal negligence under section 284, and such conviction shall be a bar to further prosecution for any offence arising out of the same facts.

Section 284 provides that the offence of manslaughter may be reduced to criminal negligence, and the penalty is two years in prison. My hon. friend would change that so that the offence would be culpable negligence and the penalty would be three months instead of two years. I may say that I intend to propose an amendment to this section in view of the fact that the judgment of the criminal courts in England leaves some uncertainty as to the meaning. I believe that the amendment which I intend to propose will be preferable to the section suggested.

An hon. MEMBER: Is the minister referring to the Andrews case?

Mr. LAPOINTE (Quebec East): Yes. My hon. friend also proposes in his bill that anyone who has caused death while driving an automobile shall not be allowed to drive for two years. I shall not discuss the question whether the suspension or the cancellation of a driver's licence is not a purely provincial matter, but his amendment would be applicable to anyone who has caused the death of any person while driving an automobile, although the death might not have been caused through the fault of the driver. I do not think an innocent person should be penalized. However, that could be changed. I have already stated my doubts as to whether we could make it an indictable offence for anyone under eighteen to drive a motor vehicle if under the law of the province such a person has been granted a licence to drive a car.

I do not think I can add anything to these remarks except to say that I am impressed by the intense feeling which seems to prevail in the house, and I am sure everywhere, that if anything can be done within our jurisdiction to try to prevent or to minimize to some extent this terrible evil which we have in the country, so as to save the lives of at least a few of our fellow citizens, we should do it. My hon. friend has said in advance that the debate will probably be adjourned. I am afraid there can be no other course. It is impossible to give consideration to what has been suggested on all sides this afternoon, and even to the various provisions of the bill itself, without asking the house to adjourn the debate, so that every one of these suggestions may be fully weighed and considered before the bill which I intend to propose as a government measure is introduced. I therefore move the adjournment of the debate.

Motion agreed to and debate adjourned

JAPANESE IMMIGRATION

APPLICATION OF PROVISIONS OF CHINESE IMMIGRATION ACT, REVISED STATUTES, 1927, CHAPTER 95

Mr. A. W. NEILL (Comox-Alberni) moved the second reading of Bill No. 11, respecting Japanese immigration.

He said: As I explained on the first reading of the bill, the purport of it is to place Japanese immigration into Canada on exactly the same plane, neither higher nor lower, as that occupied by the Chinese since 1923 when their immigration was last dealt with.

Ever since British Columbia joined confederation the question of oriental immigration and their penetration into every phase of life and industry in that province has been a consideration and an ever-increasing problem for us to deal with there. As far back as 1875 we find the province of British Columbia passing an act forbidding orientals to have votes. At that time the oriental

immigration was entirely Chinese; there were no Japanese. At this point I might follow to its conclusion the history of Chinese immigration, as I want to use it as a parallel to what we should do in connection with the Japanese. Large numbers of Chinese were brought in to build the Canadian Pacific Railway. Their competition in the labour market attracted the ill-will of the labour element, and on representations made the dominion government first in 1885 imposed a poll tax, or an entrance fee if you like, of $50 per head. In 1901 that was increased to $100 and, in 1904, to $500 on every Chinaman entering Canada. It did not apply to Japanese. It was intended to restrict Chinese immigration, but it was not effective. There may have been a temporary check, but it did not amount to anything. It did lead to an undesirable condition, little if at all better than peonage, because large Chinese financial companies would put up the $500 and the man's fare and would proceed to retrieve their money by a lien on the wretched man's wages. That has been done away with for fifteen years, but I am told that there are still Chinamen contributing out of their scanty earnings to repay these big companies which financed their entry into Canada.

Without going into the methods that led to it I will say shortly that in 1923 we passed chapter 95, Revised Statutes of Canada, 1927, and I might quote briefly its provisions. From beginning to end it does not use the word "exclusion"; it simply says that entry into Canada is confined to the following classes of people of Chinese origin or descent, then naming the classes: the diplomatic service and those connected with them; children born in Canada going away for their education; merchants and students. That is all. No labour immigration whatever is allowed. And merchants and students are strictly limited; they have to have a passport issued by the Chinese governmeint and visaëd by our agent in China. The result has been—it may suit some to say that it is not total exclusion but to all intents and purposes it is total exclusion of Chinese, which it was intended to be. It has worked well, cured a long-standing sore, and there has been no ill-will or dissension or discontent among the Chinese so excluded, with only one exception; they resent and will continue to resent the fact that we have discriminated against them in favour of the Japanese, because we allow a certain number of Japanese to come in. The Chinese also have their pride and do not like this.

Now I have before me the last report of the department of immigration, issued a few days ago. It shows that during the last fiscal year one Chinese immigrant and three students were admitted. And they have a system of allowing Chinese in on temporary permits; missionaries, professors and people like that can come in for a short period, generally six months. Forty-two such permits were issued, and more than half, in fact the bulk of those so admitted, had left Canada within the fiscal year. Chinese went home under circumstances such that they would never be allowed to come back to the number of 1,362. So you can imagine that the Chinese population is rapidly disappearing. Among those that are left the birth rate is very small, because the women are few in number; it only amounts to 5.7, so, that matter is settled.

I have in my hand a report issued by the British Columbia government, prepared by the research department of the economic council, they appear to have been very capable thorough scientific men and their conclusions have been justified by time. They say that in the years 1938 to 1940 inclusive there will be an approximate decrease—note that—of 452 Chinese males thrown upon the labour market. Later on I shall tell you what the effect will be as regards Japanese labour coming on the market, it is a very different story. The Chinese who are left here are treated with respect, they are generally merchants carrying on trade between the two countries, and there is no ill will between us at all with the single exception which I have mentioned.

Coming now to the Japanese, a very different tale must be unfolded. We have a weird thing called a gentleman's agreement with the Japanese. We have had it for many years. It was preceded in 1907, or possibly 1906, by riots in the streets of Vancouver; feeling then as now was running very high—I think it is more intense now—there were riots; I think the Japanese consulate was stoned and windows broken. The Hon. Mr. Lemieux, our late lamented Speaker, was sent to Japan to negotiate what was called a gentleman's agreement. I should like to quote from the debate which took place on his return. Mr. Macpherson, then the member for Vancouver, speaking in the debate, as reported at page 2087 of Hansard of 1907-08, said:

They—

That is, the then government.

—have carried on negotiations with Japan which have resulted in stopping for all time any further influx of Japanese coolies into our country.

Mark that! And I suppose Mr. Macpherson believed what he said. But Mr. Sproule said, "How do you know?"

Mr. Macpherson: I will tell my hon. friend how I know. The Minister of Labour has just come back from Japan and he has stated in parliament upon his responsibility as a minister of the crown, that we need never fear any further immigration from Japan. That statement has been accepted by the house; that statement has been accepted by the country.

Mr. Sproule: No.

Mr. Macpherson: My hon. friend says, no.

Mr. Sproule: The hon. gentleman says that statement is accepted by the house and by the country. Had we not years ago a similar statement from the government that the Japanese would regulate immigration, and yet the Japanese government have not regulated immigration to the satisfaction of even the hon. member himself?

He then speaks of a period "four or five years ago," that is, four or five years precedent to 1907 or 1908. So that between thirty-five and forty years ago we were told this old love story, that we could trust the people of Japan and everything would be lovely. And now conditions are worse than they were then.

I think we are the only country in the world, at least we are the only dominion that has an arrangement with Japan which allows labourers to come in. Some of them have gentleman's agreements, but none to let labour come in. Here I should like to allude to—I do not want to use a harsh word so I will say the secrecy that has always been allowed to cover up and put a smoke screen around this gentleman's agreement. That is one of the worst features of it. I find that in 1908, the Hon. Mr. Lemieux was speaking and he gave a short statement as to what this gentleman's agreement was. It was the most vague and indefinite thing you can conceive. Let me quote the sense of it. I refer to page 1610 of Hansard of January 21, 1908. This is from a letter signed by a Japanese statesman —I do not know what his title was—addressed to Mr. Lemieux:

Acting in this spirit and having particular regard to circumstances of recent occurrence in British Columbia,—

That is the riots.

—the imperial government—

That is the Japanese government.

—have decided to take efficient means to restrict emigation to Canada. In carrying out this purpose, the imperial government, in pursuance of the policy above stated, will give careful consideration to local conditions prevailing in Canada, with a view to meeting the desires of the government of the dominion as far as is compatible with the spirit of the treaty and the dignity of the state.

That is the Japanese state. Well there is nothing very definite about that. Someone had the temerity to ask in the house just what was to be done: "Will the hon. minister tell the house to what extent the Japanese government promised to restrict emigration?" Mr. Lemieux replied:

My hon. friend is too inquisitive. I will not answer, not from disrespect for him, but because if I did answer I would commit an act unworthy of a Canadian representative and unworthy of myself.

Because he had agreed to various unknown, unstated things; he talks about stringent regulations and then refuses to give the information to the house. Then he says:

There is, however, one feature of these regulations which I am authorized to make public.

Then he refers to restriction of immigration; but it is all up in the air, in the clouds, and as we afterwards found out it stayed in the clouds. The result was that although the thing was supposed to be in existence, nobody knew anything about it. I once asked an immigration official this question: "If the Japanese gentleman's agreement calls for only four hundred a year"—for that is what it did at the time—"why did seventeen hundred come in last year?" The answer I got was, "I don't know. I have never seen the gentleman's agreement, and when a fellow comes along and says he is coming in under the gentleman's agreement, we allow him to come in because we do not know anything to the contrary." There was an entire lack of what you might call fixity as to what the thing was or what it meant.

Mr. CRERAR: May I ask at what time the incident took place to which my hon. friend just referred?

Mr. NEILL: The gentleman's agreement was in 1908.

Mr. CRERAR: When did the seventeen hundred Japanese come in?

Mr. NEILL: It was along about 1917, as far as my memory serves me, but the figures were always exceeded. The gentleman's agreement was not a gentleman's agreement; it was a gentleman's joke as far as one party to the bargain was concerned.

We are talking about a gentleman's agreements. I have in my hand a gentleman's agreement about which there is no secrecy. This is a white paper, which corresponds to our Canadian blue-books, issued by the government of South Africa. Here is the gentleman's agreement made with Japan, all above board; here they say who are to be allowed

in, and who are not: 1. Tourists; 2. Persons visiting the Union solely for the purpose of study or scientific investigation; 3. Wholesale merchants and buyers of South African produce for export as well as their respective staffs; 4. The wives and children of any person admitted under paragraphs 1, 2 and 3. That is all. There was no labour immigration there; no permanency, because the agreement continues:

> The permits issued under this understanding shall be for one year—

And they were renewable at the option of the government. To make it quite clear that South Africa was to remain a white Africa, this further clause was added:

> Children born to any such person during such temporary domicile shall have no claim in consequence to Union nationality, birthright or domicile.

That is a very fine gentleman's agreement; it is above board, for all to read and understand, and there is no labour immigration involved at all. It simply covers, as I have said, the diplomatic service, tourists, scientists, wholesale merchants and their wives and children.

However, we got a gentleman's agreement, such as it was. It proved to be Dead sea fruit as far as we were concerned, partly due to the secrecy involved and partly due to the necessarily loosely worded agreement made between two gentlemen who, it is expected, will vie with each other to see that they live up not to the letter but beyond the letter of the agreement. It does not work, however, when you make agreements like that and one of the parties is so mentally constituted, probably by tradition and heritage—I do not blame them altogether—that they do not deem it any dishonour to break even a written bargain, as we have seen in recent times, let alone one so vaguely expressed. That was the weak point.

After the war, feeling again ran very high, and in the spring of 1922 the hon. gentleman who now represents Kootenay East (Mr. Stevens), but who then represented Vancouver Centre, called together the British Columbia members. I think that was the first and only time the British Columbia members united about anything. There were four groups represented in that room on that occasion, and we agreed to introduce a resolution asking for the total exclusion of orientals. The government insisted on taking out those words and putting in "effective restriction," saying that meant the same thing. At page 1573 of Hansard for that session I asked:

> Can the leader of the government give us an asurance that, in his mind, the words "effective restriction" in the amendment convey such a measure of restriction as is, at least, equal to the present immigration act in force in Australia to-day?

In Australia at that time they had no gentleman's agreement, or if they had they also had a test by which the Japanese were totally excluded. It was a language test, which I need not go into now. The answer was:

> Mr. Mackenzie King: I have in mind the same object exactly as the people of the country to which my hon. friend has referred had in mind when they enacted their legislation, namely to have a restriction that will be effective.

The then leader of the opposition, the Right Hon. Mr. Meighen, suggested other words. He said, "Well, if you do not like the word 'exclusion'; if that is offensive to the Japanese, why not use the word 'prohibition'?" When that was not accepted by the government he suggested other words, such as "for residence purposes," but that was not accepted. Then he suggested another phrase, "bringing to an end further such immigration for residence purposes." He made an honest attempt to produce something that would really mean effective restriction, but the government did not accept any of his suggestions and put through their amendment using the words "effective restriction" instead of "total exclusion."

After that our committee of British Columbia members more or less disbanded and lost heart. Three of us carried on, two members from British Columbia who were on the Liberal side at that time, and myself. But we soon found that effective restriction did not mean the same as total exclusion, as carried out in Australia, by any means. However, we got something in 1923; we got the Chinese exclusion act put through, to which I have just referred. It worked well and, as I have said, it would have been all right if only we had included the Japanese as well. We used every influence we possessed and every influence we could influence to try to get the Japanese included as well.

Some of the members who came into the house when I did, in 1921, will remember—some of them have happily and conveniently forgotten—that during the strenuous times of 1922 and 1923 and more particularly 1925 and 1926, the minor groups in the house possessed a great deal more influence in regard to legislation than they do now. Even

the voice of a lone independent was more vibrant before 1926 than it is now that big majorities have become the order of the day. Possibly that is a good thing for the big parties, but I do not know if it is a good thing for the small groups and the people they represent, who are generally what might be called underprivileged or those seeking some social or legislative justice but who are not sufficiently powerful to attract or command the notice and attention of the bigger parties. However, we kept on. We got the act respecting the Chinese, and it was a success. I well remember the bitter controversy at that time. The senate was lobbied; we were lobbied, and there was a tremendous uproar over the passing of that act, but there has not been a word of objection since. It was a success; in a word, it worked.

We were denied the same legislation with regard to Japanese. Time went on. My two confreres from British Columbia were defeated, largely because of the attitude of the government they had supported in making these promises and not delivering the goods. I persevered, but it was not until 1928, six years after the promise, that I secured even a measure of fulfilment of that promise with regard to the Japanese. The government of that day amended the gentleman's agreement, and so far as that amendment went I give full credit and thanks to the then Prime Minister, who is also the present Prime Minister (Mr. Mackenzie King). He did two good things. First he cut the number down from 400 to 150. Then, more important, he arranged that the great bulk of these immigrants would come in under the jurisdiction, so to speak, of our Immigration Act and our immigration authorities. That was a very good thing indeed. He also arranged that immigrants had to have their passports visaëd in Japan by one of our agents there. It placed the agreement more or less under our control—but only more or less.

Since then the agreement has been in force and I am told—and it is easily ascertainable—that in several cases and, perhaps, in most of the years, less than the quota has come in. Perhaps that has been largely due to the depression and, in later years, due to internal conditions in Japan.

However, the usual loophole has been discovered, as it always has been, and always will be, by which more Japanese have come in under this gentleman's agreement, as it is interpreted. I need not go into it now, but it does permit people to come in that I, at least, never contemplated would be allowed to come in except under the quota. If it came about that the Japanese were determined to force immigration, they would be able to do it, under the terms of this loophole. The really fatal mistake was in not making the Chinese act of 1923 apply to the Japanese also. The United States had done it, just about that time. They were threatened with tremendous consequences; sabres and swords were waved, but nothing happened. They were threatened with an enormous loss of trade—which would have lasted only two or three months. Trade will always go where trade finds it is best adapted to go, and it does not pay attention to matters of this kind.

If we had done it then we would only have been in line with the other dominions and, so far as I know, with other countries as well. The principle has often been laid down to protect the people native to a country against incursions, however legal, of aliens. By the native I do not mean the aborigines alone; they may be natives in the sense of having long occupancy in a country.

In Kenya colony in East Africa the British government, which has control, said they found it necessary to record their considered opinion that the interests of African natives must be paramount, and that if and when those interests and the interests of the immigrant nations conflicted, the former should prevail. That was the view taken by the British government.

Next we find General Smuts in a speech referring to the "warping influence of the fear of ultimate black domination." If we substitute the word "Japanese" for "black" we have described the situation in British Columbia in our own country. He there mentioned the "warping influence of the fear of ultimate black domination."

Mr. K. K. Kawakami, one of Japan's most distinguished publicists, in an article written a few years ago said this:

> People accustomed to low wages and therefore a low standard of living can successfully compete with and ultimately defeat people with a higher standard of living.

Sure. Here is the last illustration. I see connected with it the name of Sir Shenton Thomas, the gentleman who opened the Singapore base the other day. He was the governor, or whatever the position is, of the Malay colony. In this case, the Chinese and Indians, who were aliens, came in bringing in capital and dominating industry, and they were beginning to make demands for a place in the sun—jobs in the civil service, and permanent positions like that. He gave them what is described in the article as a cold rebuff when he announced that there would

be no appointments to administrative positions among non-Malay Asiatics. They became angry, and said that much of the development was due to their effort, and so on.

Sir Shenton Thomas said that he did not deny that fact, but argued that the Malayan was in danger of being dispossessed in his own country, and that therefore special measures were necessary for his own protection. Some extensive land reservations which can never pass out of Malayan ownership, and certain non-manual government branches virtually reserved to Malayans, are included in such measures.

That gives an illustration of what I have in mind. But we took the opposite view. Let me quote Mr. Lemieux in this connection. I do not suppose he thought he was making history, when he said, at page 1591 of Hansard for 1908:

> The policy of this government has always been to let Japan herself regulate and restrict voluntarily the emigration of her subjects;—
>
> That is, the emigration to Canada—
>
> —any other policy would not have been successful with that nation.

That is the trouble. We have surrendered our right of control of the immigration into our country of the subjects of a foreign nation. There was the initial mistake, and it has endured ever since. That will conclude my observations on this phase of the matter. I would ask that you call it six o'clock, Mr. Speaker.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. NEILL: Mr. Speaker, the modified gentleman's agreement of which I spoke before six o'clock, and which came into effect, I think, in September, 1928, had five major bad consequences or effects.

First, it missed a good opportunity of settling once for all a question that was bound to rise up again and again, and be more and more troublesome each time it came up.

Second, being a gentleman's agreement, of very necessity its terms were so slack that it offered large opportunities for evasion. I said, in speaking this afternoon, that the quota had been generally lived up to. Yes, according to the figures you will get over at the immigration department, if you send for them, that is correct.

But this is an instance that came to my notice. It is in a confidential statement, and I cannot give its source, but every name is given, and I can guarantee its bona fides. The mounted police had in hand certain fraudulent transactions in connection with birth certificates, and they found that seventy-five Japanese birth certificates had been faked and 117 fishing licences illegally obtained. The Japanese interpreter—and the interpreter is always Japanese, never a white man—went to the penitentiary for two and a half years over that, but I do not suppose there is a member of the house who has ever heard a word of that transaction but myself. Now, if after investigation they managed to find seventy-five such instances, surely we can suppose that at least three times that number actually evaded the regulations. Other members, no doubt, can give similar instances.

In any case, even supposing there is no evasion, the Japanese agreement allows an increase of the adult Japanese population every year in a situation which is already overloaded. I quote again the British Economic Council's report, which was a very valuable document, and time has proved how accurately and carefully it was drawn up. They say that in the years from 1936 to 1940 the increase of Japanese will throw on the labour market 3,874 people, or an average of 774 a year. That was not an increase to the population by way of infants, but the number that would be thrown on to the labour market in those years, and it gives an average —and they itemize it, by both birth and immigration—of 774. That could well be done away with, considering the situation in British Columbia.

The third objection is that in times of depression, when it is necessary to forbid our own white citizens from the British Empire entering this country, and the Bennett government in, I think, 1931 or possibly 1930, passed an order in council seriously restricting the immigration of ordinary labourers from the British Isles, and necessarily so, for the protection of the Canadian working man—

Mr. BENNETT: It is still in force.

Mr. NEILL: But at that same time, under the gentleman's agreement, the Japanese could send in their quota, and as much more as they could get away with, in defiance of any immigration order the government had passed. That is the serious objection. It is a wholly untenable and undesirable position for us to be in.

Fourth—and this is one of the major objections—it hands over the control of immigration to the judgment of an alien nation—a thing that is not done anywhere else in the world.

Let me quote from page 2039 of volume 2 of Hansard of 1908, and this is no mere back bencher like myself speaking, but a man whose words are entitled to some respect, the late Right Hon. Sir Robert Borden. He said:

> Now I come more particularly to the results of the mission to Japan of my hon. friend the Postmaster General. The real object of his mission was to induce Japan to exercise that control over immigration into Canada which we should be able to exercise ourselves. It is one of the attributes of the sovereign power of any state to restrict, or even altogether prohibit, the entrance of aliens within its territory. If we had preserved that right by the stipulation insisted upon by the Conservative government in August, 1895, there would have been no difficulty. We did not reserve that right; therefore, having passed over to the Japanese government that control which should have been exercised by ourselves, it became necessary for my hon. friend the Postmaster General to go to the Japanese government and to ask them to exercise some control and some regulation.

At another point the same gentleman moved an amendment to this effect to the motion which was before the house, at page 2146 of the same volume of Hansard:

> That this house while expressing its profound appreciation of the friendly intentions and courteous assurances of the Japanese government, and while declaring its sincere desire for the most cordial relations with the Japanese people, desires nevertheless to record its strong protest against a policy under which our wage-earning population cannot be protected from destructive invading competition except by entreating the forbearance and aid of a foreign government.

The words "wage-earning" might now be taken out and there be inserted instead "the population of British Columbia", because it is no longer the wage-earners' problem, but applies to every industry, high and low, in the province.

Worst of all, the agreement even as amended puts us in the most invidious position as regards China. China has been a divided nation, and therefore has received perhaps less attention than she should have, but she will come back a unified nation with her four hundred millions of population, with her trained soldiers—I think it was General Gordon who said that the Chinese soldiers were the best in the world—and with her market potentialities of four hundred million purchasers. We will go to China and she will say: You want to trade with us, but why do you treat us so differently from the way you treat the Japanese? And what answer can we give? We shall then be in this position: Either we shall have to reinstate Chinese immigration, which is very undesirable, or under the pressure of China's population of four hundred millions and her soldiers we shall have to put the Japanese back where I now seek to put them. If we are going to do it under pressure from China then, why not let us do it now with all the good will that comes from a free will act of justice? Let us do it now rather than under pressure later.

I remember that Mr. Meighen, when the debate was on in 1922, said this:

> Let us proceed to argument. I stated first that there had been effective exclusion of the inhabitants of China in the United States. My hon. friend—

That was the then Prime Minister:

> My hon. friend says: "Oh, yes, but China is not a first class power."

Then Mr. Meighen continued:

> Are we to modify our language according to the number of troops that there may be in the nation to which that language refers? I do not think Japan would expect us to do that; I do not think China would be flattered to know that that is the reason she is excluded.

That is all I have to say about the gentleman's agreement. I have been told that my bill does not go far enough; that it does not touch the biggest feature of all, and I admit it. The biggest feature of all is the enormous birthrate of the Japanese in British Columbia about 38 per thousand as against 18. I have in my hand figures, and I shall give them briefly.

The school enrolment in British Columbia in the ten years 1927 to 1937 went up twelve per cent; the Japanese enrolment went up eighty-eight per cent. These are significant figures; multiply them by the next ten or twenty years and what kind of situation does it present to your mind? The answer is, of course, that we cannot stop their birth rate—unless we are prepared to bring them under the provisions of chapter 258 of the revised statutes of British Columbia—but we can at least stop adult immigration coming in to add to the vicious circle—more immigrants, more children, more men and women thrown on the labour market, and not only the labour market but all industries in British Columbia. Since even 1923 the legal immigration would mean perhaps twenty-three or twenty-five hundred people, all young people with the potentialities of large families. It may be said: Let us deport them. That is impossible. But we can at least stop the legal entry of them, and above all stop the loopholes that seem inevitably to be connected with any gentleman's agreement, however carefully drawn.

I ask support of this bill on its merits, to correct past errors and prevent more. I ask support from hon. members from all over Canada. It may be said that the east has no such problem. I tell hon. members from Quebec province and also those representing the industrial centres of Ontario: It does concern you. It concerns you vitally. Your line of defence against fatally cheap labour competition is not Montreal or Toronto; it is in British Columbia; it may be our trouble to-day, but it is your's to-morrow. If you in Quebec had the oriental population that we have the numbers would be 265,000; in Ontario they would be 312,000. Just where would you be then? Remember they are all of alien thought and mind and tendency; they are all one body, acting and thinking as a unit. Just where would you put 312,000 in Ontario, and how would you like to have them?

I ask support to this bill with no idea, no hint of taking advantage of the popular prejudice on account of what has gone on during the last year or two. I have never mentioned the war. I ask support on a non-partisan basis. This is not a bill brought down by the government, immediately ipso facto to be opposed by the opposition. It is not brought in by the opposition, immediately to be regarded as suspect by the government, as a device to embarrass them. The Prime Minister (Mr. Mackenzie King) recently said, with reference to a matter brought in by a private member, "It is a good thing to have a frank and sincere consideration of the subject." It may be well said, if we pass this bill, that it is not the act of any party in the house, it is the act of parliament, which is paramount. Therefore, in all sincerity, I ask the support of every member of this house to this bill.

Mr. H. C. GREEN (Vancouver South): In rising to speak in support of this bill I realize that it is difficult for hon. members from the other provinces of Canada to appreciate the situation in British Columbia. I thought this afternoon, as I saw the attention with which the members present in the house were following the hon. member for Comox-Alberni (Mr. Neill), that it would have cheered the hearts of the people of British Columbia if they could have been in the gallery to notice that attention. Because after all this question of Japanese immigration is of vital importance to our province, and there is no way in which the people of the rest of Canada can win the friendship and gratitude of British Columbians more readily than by listening to their case on this subject of immigration and helping them to solve the problem. It is a problem which is steadily getting worse; the position has become more serious year after year. I believe I am the only real British Columbian in this house.

Mr. MacNEIL: Oh! Oh!

Mr. STIRLING: Explain.

Mr. GREEN: Our province is represented by members who were born in Scotland, in Ireland, in England, and one hon. member, of whom we are very proud, was born in Sweden; we even have members who were born in Ontario and the maritime provinces; but I am afraid that I am the only one born in British Columbia. Apparently the old adage, "A prophet is not without honour save in his own country," is applicable to that province. However, I mention myself for the reason only that ever since my childhood—and I am sure that most of the younger men and women who were born in British Columbia have had the same experience—this issue has hung over the province like a black cloud, steadily growing larger, the situation steadily getting worse. It would be impossible for my fellow members from other parts of Canada to realize how seriously we treat this matter, and I ask of you to-night that in considering this bill you approach it in a non-partisan and non-political way, as fellow Canadians concerned to solve a difficult problem in a sensible manner.

The real problem with which the people of British Columbia are faced is this: First of all, how can oriental immigrants and their descendants be assimilated? That is the basis of the problem. Second, if these oriental immigrants and their descendants cannot be assimilated, then what is to be done with them? It is not only the most serious problem facing British Columbia but also, I suggest, one of the gravest questions facing the people of Canada as a whole.

The first step towards a solution is to stop further immigration. That course was taken many years ago by the other nations which were faced with the same difficulty, for instance, by Australia, New Zealand, and the United States of America. Canada herself went part of the way as far back as 1908, when she nogatiated a gentleman's agreement with Japan limiting Japanese immigrants to approximately 400. Again in 1923, as the hon. member for Comox-Alberni has pointed out so clearly, Canada realized that oriental immigration must be further checked, when she enacted the Chinese Immigration Act. At that time the Chinese population of

British Columbia was far greater than the Japanese population, and the Chinese were coming into the country in far larger numbers than the Japanese. The question of Chinese immigration was more serious than that of Japanese immigration. The parliament of Canada, under our present Prime Minister (Mr. Mackenzie King) faced that problem and passed the Chinese Immigration Act. The result has been that in the thirteen years following the enactment of that legislation only eight Chinese immigrants have been admitted to Canada. The government of British Columbia estimates that the Chinese population of that province is falling; that it has dropped approximately five thousand during the last six years, and is now only about twenty-two thousand.

Canada again recognized the principle that further immigration should be stopped, or at any rate should be further checked, when in 1929 the Canadian government negotiated an alteration in the gentleman's agreement with Japan, cutting down the number of immigrants from 400 to 150. But during the thirteen years in which only eight Chinese came into Canada, there were 3,411 Japanese immigrants coming into the country and the Japanese population was growing steadily. Now the British Columbia government estimate that there are approximately 30,000 Japanese in the province, and it is certain that that province has reached the stage where it can absorb no more. The time has come to stop further Japanese immigration.

To show you the attitude of the people of British Columbia I quote from an editorial appearing in the Vancouver Daily Province of February 2, this year. I believe it gives the opinion of practically every one in British Columbia. This editorial reads in part:

> We have plenty of room for immigrants, but it is immigrants who are assimilable that we want and the Japanese are not assimilable. We have about 30,000 Japanese in British Columbia, now, and these, with their natural increase, are rather more than we can comfortably handle. **All immigration from Asia** should be stopped.

There are several features of this Japanese immigration which make it very serious. The first is that practically all Japanese immigrants settle in British Columbia; they do not spread out to the other provinces. For instance, in the last fiscal year 103 were admitted under the gentleman's agreement, and of that number 101 settled in British Columbia, only two settling outside; those two went to Alberta. Over ninety per cent of the Japanese in Canada reside in British Columbia, whereas of the Chinesse less than sixty per cent reside in our province, the others being scattered throughout the other provinces, and yet a worse feature is that ninety per cent of the Japanese in Canada are concentrated in the coast area of British Columbia. They are not scattered across the province, but are concentrated along the coast. Just to bring it home to hon. members from other parts of the country I would point out that if the same proportion of the population of Manitoba were Japanese, you would have this picture: there would be 30,000 Japanese settled within a few miles of Winnipeg. That would correspond to the actual settlement about Vancouver. In Ontario, on the same basis, it would mean 150,000 Japanese settled in and around Toronto and central Ontario. In Quebec there would be 120,000 settled, say about Montreal and Quebec and up the St. Lawrence valley. In New Brunswick there would be 17,000 settled around St. John and up the St. John river, and in Nova Scotia there would be 20,000 Japanese settled in and about Halifax. That will give you some idea of the Japanese settlement in British Columbia at the present time.

The second serious feature about this immigration is that there are more women coming in than men, and that has been the situation for many years. For instance, during the last fiscal year there were thirty-nine males and sixty-four females, and on December 31, 1936, the Japanese population of British Columbia consisted of approximately 56·7 per cent males and 43·3 per cent females, the percentage of females having risen from year to year. With the Chinese on the other hand, 90 per cent were males and only 10 per cent females.

The third serious feature is that the birthrate among the Japanese population in British Columbia is far higher than that of any other race. The Japanese birthrate is twenty per thousand; the birthrate of whites in British Columbia is only 13·6 per thousand, and the Chinese birthrate is 6·1 per thousand. This shows that the situation is bound to get worse from year to year.

Mr. NEILL: I think the hon. gentleman will find that the Japanese birthrate is higher than that, 36 or 38.

Mr. GREEN: Well, it is bad enough. The situation is really this: There is growing up in British Columbia a state within a state. The Japanese people do not intermarry with the whites; and mind you, they are just as much opposed to such intermarriage as the whites are. It is not a question of one race being superior and the other inferior; the simple fact is that intermarriage is not wished by either race. Then there is the question of language. The Japanese even have their own

schools after the regular day school in order that Japanese children born in British Columbia may learn the Japanese language as well as the English.

Again, employment in the industries of the province is seriously affected. For example, in the fishing industry, one of our great industries, there are over 2,000 licences issued to Japanese, and we estimate that there are over 1,200 Japanese fishing boats plying up and down the coast, in and out of our harbours. In order to get licences the Japanese must be naturalized, and I do not think there is any question that in many cases they have taken out naturalization papers just for the purpose of being able to get fishing licences.

There are thousands of Japanese farming, carrying on principally poultry farming and the growing of small fruits; many of them are scattered up the Fraser valley. At the present time hundreds and thousands of prairie people are coming into British Columbia as a result of the drought and they are forced to compete with these Japanese already settled on the land. We have a chance to help the very best settlers any province could wish to have, and yet we are handicapped at every step because there are so many Japanese engaged in the same line of endeavour.

Many of them have gone into the lumber business, into pulp and paper, and into mining, while in the cities on the coast hundreds of them are in business. I have before me a list of the licences issued by the city of Vancouver in the year 1937, showing that there were 795 licences issued to Japanese and 644 to Chinese. covering nearly every line of business. There are fifteen Japanese apartment house proprietors; nine auto repairers; thirty-nine barbers; eight boot and shoe repairers; eighty candy merchants; one hundred and fifteen cleaners and dyers; forty-four dressmakers; eighteen fish dealers; twenty-one greengrocers; one hundred and ten grocers. And I was told shortly before leaving for Ottawa, that there was even a real danger of the Japanese running the chain stores out of the grocery business in Vancouver, from which hon. members can realize what effect they have on the white merchants who are trying to compete with them. There are also seven tailors; one hundred and twenty-nine lodging houses; eleven manufacturers; thirty-two restaurants; fourteen miscellaneous retail stores; seven jewellers; twenty-three wholesale dealers; ten express and dray enterprises and many other occupations.

The competition of these immigrants with our white people is absolutely unfair. They have a lower standard of living. Their ways of living make it frightfully difficult for us to carry out our social security laws. It is very difficult to make them comply with those laws, which means unfair competition for the white people who do try to comply with them. In farming their competition is most unfair, because farm labour immigrants, who have to be placed with Japanese farmers, work for a few dollars a month or a year; no one knows what they get, probably not much more than their board; but the result is that the Japanese farmer with this cheap labour is forcing off the land the white farmer who has to pay proper wages to his men. The same thing is true in fishing, Japanese helping other Japanese. The Japanese merchants in the cities live in the back of the stores, and not having expenses to meet such as the white merchant has, can drive the latter out of a district. It has always been believed, although I cannot prove it, that the Canadian Japanese Association or the Japanese consulate stands behind these men financially when they wish to buy a farm or a fishing boat or go into business, and that they can get capital from such sources at a rate of interest far lower than can be obtained by a white man.

That gives the house a rough picture of the situation. Always we have been met with the statement that we must do nothing which will upset our relations with Japan, but I believe that the Japanese government appreciates our difficulty just as well as we appreciate it ourselves. The Japanese government has on different occasions shown an understanding of the situation; these gentleman's agreements are evidence of that; and I believe that government will realize that this situation is one with which Canada must deal. I think Japan will respect us all the more for facing the problem. I cast no aspersions on the Japanese people or the Japanese government. That nation deserves the greatest credit for what it has done, for the way it has progressed. Probably no nation in the history of the world has done so well in so short a time. The Japanese race are merely different from our race; perhaps in some things they are not as good, in others are better. But our problem is simply the question of whether or not we can assimilate the race in this nation we are trying to build.

In conclusion, I would emphasize again that the need for this legislation is clear, and that now is the time to act. The problem gets more difficult the longer it is put off. There is no reason why parliament should hesitate about these obvious remedies. After all, the Canadian people are a people of courage, of initiative, of sound judgment, and the Canadian parliament should show courage in tack-

ling such problems as this. We boast of being a nation, and this parliament should realize that nationhood involves being able to decide for ourselves what is to be done in Canada. Let us treat this matter as the serious national problem it is, and thereby as well show the people of British Columbia that it is possible for them to have their problems considered here and dealt with, despite the fact that parliament sits three thousand miles away from that great province.

Mr. THOMAS REID (New Westminster): The oriental question in British Columbia is one of the most serious questions facing the people of that province to-day. It has come to the front perhaps more during this time of depression than at any other period. I have always held the opinion that Canada maybe was wrong in differentiating as between the oriental races; I believe we should have treated the Japanese the same as we treated the Chinese, and not favoured the people from Japan while excluding the Chinese. The two hon. members who have spoken before me on this question have covered practically every aspect of the situation, but there are one or two matters upon which I should like to dwell in the short time at my disposal. I say that because later on I intend to deal with this question as it affects the fishing industry in our province, particularly on the Fraser river.

I wonder how many hon members are aware that the Chinese who come to this country have contributed well over $21,000,000 to the national exchequer. They are practically the only oriental people coming to this country who have had to pay a head tax. From the records of the immigration department I find that from 1885 to 1923, which was the year that the doors were closed to the Chinese, the sum of $21,223,150 was paid by some 82,370 Chinese entering Canada. So I do not think the Japanese have cause to complain that they are being picked upon at this time if our criticism is levelled more at them than at the Chinese. I may point out that the number of Chinese in Canada is getting less, due to the fact that many of them are dying off, and also that only ten per cent of the Chinese in British Columbia are females as against fifty per cent of the Japanese, who, I believe, have a studied policy in connection with their emigration of seeing that enough females go to the various countries along with the males so that the Japanese stock will be maintained in those countries. I wonder how many hon. members are aware that according to the Japanese year book, issued, I assume, under the authority of the Japanese government, in 1930 over 28,000,000 yen were sent back to Japan by Japanese residents abroad, and that the total number of Japanese abroad in the various countries of the world in 1930 was 634,913. The total for the United States and Canada was given as 120,000. They have gone into practically every country in the world, including Great Britain, where the report shows some 1,500.

I was interested in figures presented by the Japanese delegation which came to Ottawa in 1936, and appeared before the franchise and elections committee. They seemingly came armed with information as to the numbers of their race resident in British Columbia. They told that committee that according to a census taken by themselves there were only some 19,960 resident in that province. Of that number 10,965, they stated, were Canadian born, leaving only some 8,995 who, therefore, must have come into the country. Yet, according to the Japanese year book for 1930, Japan claimed to have over 21,000 resident in British Columbia alone. A careful survey was made in British Columbia by the provincial government and a very conservative estimate of the number in that province would be 30,000.

Mention has been made of the increasing birth rate. It is rather a problem, because the estimated birth rate of the Japanese is between fifty and sixty per thousand as against eighteen per thousand for the white population. If it were worked out in that ratio it would be discovered that even if we closed the gate now—and by the way, I am in favour of that—in twenty-five years there would be 67,000 Japanese in British Columbia.

While I am all in favour of the principle of the bill, I am afraid that we are just a little late in closing the gate. There is another aspect of the matter, in connection with the number who have come in during the years of the depression. While that number is not as alarming as in years gone by, still it is disturbing indeed to find that Japanese with five or ten acres of land in the Fraser valley can make application, and have been doing so, under the dominion immigration laws to bring in the odd Japanese, presumably to work on the ranch. But if one would follow up that man who is brought in, it would be found that he stays perhaps one month or two months working on the land and then is slipped into industry. It is no wonder that our people are very much perturbed over such a situation, when in many industries they find men from Japan who

have been here only three or four months but who have found employment while our own people have been walking the streets.

I well remember making the statement in the house in 1931 that there were hundreds if not thousands of citizens of Japan in this country illegally. The then Minister of Immigration—I suppose he had to do it—got up and denied the truth of such a statement. But, Mr. Speaker, I discovered that later on instructions were issued to the Royal Canadian Mounted Police to make a careful survey, or as careful as possible, of the situation. Just before I left for Ottawa to attend the present session I was told by the authorities that the Royal Canadian Mounted Police had discovered close to six hundred who had entered this country without papers, surreptitiously, and that nine hundred others had suddenly left the country when they realized that they were going to be checked up by the Royal Canadian Mounted Police. That is a serious situation. I was not glad to hear the statement; I mention it here because it substantiates what I said on the floor of the house when I was on the other side of it, that there are hundreds and hundreds of Japanese who entered this country surreptitiously, and we have advocated that perhaps a closer check should be made of their numbers, with a view to finding out exactly who should or should not be in this country. I should like to have serious note taken of the entry of those who come presumably to work on the land but who, after being here one, two or three months, find their way into various industries and compete, and very successfully, with our own people.

My purpose in rising at this time, Mr. Speaker, was to join with the two previous speakers and the sponsor of the bill. I am entirely in accord with the principle contained in this legislation and desire to lend it all the support of which I am capable, although I realize that the matter is not one capable of easy solution. We may, at least, take a step in the right direction.

I am not going to make any extended remarks at present because on the order paper in my name there is a resolution asking for a cut in the number of Japanese fishing licences, and when that resolution is under discussion I intend to deal with the matter as it affects the fishing industry in British Columbia and particularly in the Fraser river area. My purpose in rising at this time is at least to show where I stand on the question, and I trust that a solution may be found so that, if at all possible, a stop may be put to the entry of these people, and they may be placed on the same footing as those from other oriental countries.

Mr. C. G. MacNEIL (Vancouver North): Mr. Speaker, no doubt it will be found that the members from British Columbia are unanimously in favour of the principle of the bill which has been introduced by the hon. member for Comox-Alberni (Mr. Neill). I think the previous speakers are to be complimented upon the restraint they have exercised, because much might have been said that would have added to the bitterness and the racial prejudice which are becoming more and more evident in that province.

The chief arguments in support of the bill have been ably stated already. I merely wish to indicate my support of the principle incorporated in this measure, and to touch upon one or two phases of the problem as they appeal to me. I think there is no longer any point in encouraging immigration from Japan, particularly that class of immigrants that enters into direct competition with the workers in our industrial enterprises in British Columbia. Any further immigration can only serve to aggravate a problem of which all the representatives from British Columbia are fully aware and which in some respects casts a shadow over community development, harmony and cooperation in many areas in that province.

One point I wish to stress at this moment is that the situation is bringing about dangerous friction and racial prejudice, producing a tension in community life that is not to be desired. In my opinion this tension is due very largely to the growing distrust of the policy of the Japanese authorities with regard to this problem of immigration. There is a growing conviction—and no doubt on this score the government has definite evidence—that the agreement has been violated in many respects, to the disadvantage of the people of British Columbia. Whether or not that conviction or belief is well founded, the uncertainty exists, as the hon. member for Comox-Alberni has stated, because of the ambiguous terms of the gentleman's agreement. No one can be at all definite as to the number of people, particularly Japanese labourers, who are being admitted into the province at this time, and therefore I wish to indicate my support of the principle contained in this bill. I think there would be no better time to raise the barriers against immigration from Japan.

I had hoped that the hon. member for Comox-Alberni in his remarks would indicate just how he would suggest negotiations might

proceed so that the barriers might be raised without precipitating any international complication. No doubt by proclaiming this amending bill at the proper time any such complication might be successfully avoided; but after some study of this problem I am definitely of the opinion that, in the interests of our own population in British Columbia, at this time we should not give the Japanese people any preferential consideration in regard to immigration regulations, and that in order to prevent any aggravation of a serious problem we should take definite steps to raise the bars against further immigration.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, I rise to support the bill before the house, and to congratulate the mover and also the hon. member for Vancouver South (Mr. Green) upon the very able manner in which they have placed before the house arguments in favour of the measure.

I do not intend to go into details. All I wish to say is that for several years the matter has been brought before the house, and it has always been looked upon by the people of eastern Canada as one confined to British Columbia. But I think, now that trouble in the orient has developed, and in view of the rush on the part of the Minister of Defence (Mr. Mackenzie) to see that defences are built on the Pacific coast, that not only the government but the people in eastern Canada feel that the oriental problem in British Columbia is a Canadian problem.

I am not going into further particulars, but I would ask every hon. member, whether from Ontario, Quebec or the maritime provinces to take the measure into serious consideration. It has been said that we are a little late in closing the gate. I agree with that. It should have been closed at the time we closed the gate against the Chinese. There was just as much reason to close it against the Japanese. Due to that action there has been little or no immigration from China, and yet we are on the very best terms with that country.

I trust that the government may accept the bill and that it may become law, so that we may now close the gates and relieve the problem which we have on the Pacific coast.

Mr. T. J. O'NEILL (Kamloops): Mr. Speaker, I would be remiss in my duty if I did not rise in support of the bill so ably presented by the hon. member for Comox-Alberni (Mr. Neill). At the same time I should like to compliment him upon the able manner in which he presented the position of

British Columbia and, I believe, the position of Canada, with regard to the problem of oriental immigration.

May I also congratulate the hon. member for Vancouver South (Mr. Green) upon his very able contribution. I, too, with the hon. member for Vancouver North (Mr. MacNeil) am pleased at the lack of bitterness which has been shown by hon. members who have discussed the measure. Only those people who come from British Columbia can realize just what oriental immigration to that province really means. I was pleased to hear that the hon. member for Vancouver South is a native son of British Columbia. But, even at that, I think I have been watching the oriental problem in that province longer than he has, and probably I appreciate the problem as well as he does, even if he does come from Vancouver, where the great majority of Japanese are.

The oriental question in my constituency has reached the same proportions, in relation to the population, as it has in Vancouver. For instance, the tomato canning industry around Kamloops is almost entirely in the hands of Japanese, Chinese and Hindoos. To some extent the native Indians work when the tomatoes are being picked. Most of that business is in the hands of the Japanese.

Very little could be added to what has already been said. There are one or two observations, however, upon which I might spend a few moments. One of these is the difficulty the law enforcement officers of British Columbia encounter in making the orientals live up to the minimum wage laws. I believe the Japanese are the greatest offenders in this respect. Possibly their business methods are responsible for this fact. It may be that not any more than other people have they a desire to evade the law, but there is an evasion of the law by reason of their business method. For instance, there may be twenty employees in a shingle bolt camp who must operate under the minimum wage laws as laid down by the province. The Japanese evade the law by forming partnerships, and each man working in their shingle bolt camps would be working as a partner of the concern. They are all bosses, and the law would not apply to them. They will work for fourteen or sixteen hours, or as many daylight hours as there may be in a day, for half the wages a white man would receive for eight hour's work. I believe nothing more need be said, except to point out how utterly impossible it is for white labour to compete under those circumstances.

The hon. member for New Westminster (Mr. Reid) has called attention to the illegal

entry of Japanese. This may have been going on along the coast of British Columbia, from the northern end of Vancouver island up to Alaska, to a far greater extent than the Royal Canadian Mounted Police realize. By people who live in the country around there I am reliably informed that there come in many Japanese in what are supposed to be boats that are fishing in those waters. They are landed, and the boat goes back to Japan. I do not live in that part of the country and do not know whether this assumption is based on fact, but I have received reliable information to the effect that it is so.

I think the time has long since passed when we should have closed the door. But let us not wait until the white people have been forced to leave—because, either that must happen, or we must reduce our standard of living to that of the Japanese—I say we should close the door.

For these reasons I most heartily endorse the principle of the measure the hon. member for Comox-Alberni has introduced.

Hon. GROTE STIRLING (Yale): Mr. Speaker, probably it is not necessary to add much to what has been said in support of the measure. Perhaps it is desirable that we should not go much farther in the matter at this time. We do not know yet what action the government proposes to take with regard to the bill. But it should always be remembered—I think it has always been noted in the house—that hon. members from British Columbia have been a sort of listening post for the rest of Canada on this oriental question.

If hon. members would care to take the trouble to look back through the volumes of Hansard they would find that the burden of the debates which have taken place in years past has to a great extent been borne by members from British Columbia. This is but natural, for it is in that province almost entirely that the question is driven home, time and time again, as to whether the time has come—indeed, if it has not passed—when Canada should say who should enter her ports of entry.

We must remember the delegation of four young Japanese who, two years ago, appeared before the special committee on the elections act, and I well remember the impression those four young people made on members of the committee other than those from British Columbia. I remember also how it was the duty of certain British Columbia members of that committee to draw to its attention certain facts on the opposite side of this question, and I need hardly say that the members from other parts of Canada were very much enlightened when they heard of what had been happening, the situation that had been growing up in British Columbia for the past generation. During the existence in the early days of this century of the Anglo-Japanese agreement, come to by the British government, I think, in the middle nineties, Canada's position was nothing like so clear as it has been since the amendment of that agreement. I do not know whether the Canadian government of that day was consulted by the British government or not, but Canada did find her hands to an extent tied by the existence of that agreement. That agreement was modified; Canada's hands were untied, and in my opinion for several years past it has been open for Canada to say to whom we should open our ports of entry.

Reference has been made to the fact that perhaps at the basis of this whole matter is the question of assimilability, and I think the hon. member for Vancouver South (Mr. Green) is greatly to be commended for the delicate way in which he handled his reference to assimilability. We do not want on this occasion, or on any occasion, to speak words in the house which could in any way be taken as an affront by another country, one with whom we have been on friendly terms, one from whom we desire to buy and to whom we desire to sell those commodities which are mutually beneficial to both countries. We desire, therefore, to handle this matter as best it may be handled, remembering at the same time that we owe a debt not only to the people who were instrumental in placing us individually in this house but to all the citizens of Canada, and most particularly that we owe a debt to those who are not yet born in this country.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to say just a very few words in connection with this matter. As has been already pointed out by members from British Columbia, the matter of oriental immigration into that province not only is one of considerable importance to British Columbia but eventually will be of importance to the whole of this dominion. The oriental problem has given me much concern over quite a number of years because it has never been faced honestly and squarely in this dominion. It has been made a political football on every possible occasion. The hon. member for Fraser Valley (Mr. Barber) says that it is a little too late to close the gate. The gate should never have been opened. Greed for cheap labour brought the oriental to British Columbia, and greed for trade has kept him coming in.

While I am in agreement with the bill brought before the house by the hon. member for Comox-Alberni (Mr. Neill), I must say that the circumstances in which the bill is now brought before us are no better than they were two years ago when I raised the question here, and when my motion was unanimously voted down by both the major parties in the house. It is not often that one is vindicated so soon. On that occasion the hon. member for Comox-Alberni accused me of dishonesty in bringing the matter forward. Let me read his closing words in speaking to my resolution at that time. They will be found at page 387 of Hansard of February 20, 1936:

> We have to take into consideration international and world-wide conditions to which the Prime Minister referred, and for that reason I acquiesced in the reduced immigration which, I say, is a great improvement on the open door policy arising from the gentleman's agreement which existed previously, and under which as many as 1,700 in one year came in. Although I know it would be popular in British Columbia that we upset the present agreement, I am not asking that we do so. I would ask that it be rigidly adhered to and enforced and, for the reasons stated, not enlarged. I earnestly hope the house will turn down the resolution.

Mr. NEILL: On a point of order, Mr. Speaker, will the hon. gentleman read the resolution, so that we may know what he was talking about?

Mr. MacINNIS: Yes; if the hon. gentleman says he wants the resolution read, I probably shall have time to read it. The resolution asked for the exclusion from Canada of people of all nationalities to whom, because of race or religious beliefs, we cannot extend the full privileges of citizenship.

Mr. NEILL: Read it.

Mr. MacINNIS: If the hon. gentleman will turn it up for me, I shall be glad to read it.

Mr. NEILL: He is afraid to read it.

Mr. MacINNIS: Oh, I am not afraid to read it. I have stated its subject matter quite clearly.

I have said, Mr. Speaker, that I was in agreement with the principle involved in the bill; but I realize that at the present time there are great difficulties, and those difficulties will have to be got over in some way. I am afraid, however, we cannot overcome them just by the introduction of a bill at the present time. But I wish to say that any measures adopted by the government to put an end to oriental immigration will have my support and approval.

[Mr. MacInnis.]

Mr. J. S. TAYLOR (Nanaimo): Mr. Speaker, what I shall say about this question will be said in a very few words. If we will not grant the fullest rights of citizenship to a people, we should not permit them to root themselves in our land among our people and in our economic living. If these people will not or cannot assimilate with our Canadian people, then by that very fact they cannot be permitted peacefully or otherwise to take from us that which is ours.

We citizens of Canada should be permitted to avow allegiance to only one country, and no individual in Canada should be permitted to be and act as a Canadian who avows allegiance to more than one nation. He must forsake the one and cleave to the other, and be definite in that to which he allies himself. If gentleman's agreements are made—and, Mr. Speaker, there are such human beings as gentlemen—then, being made by gentlemen, those agreements should be kept. If the agreements are broken it appears that they were not made entirely by gentlemen, and if there is anything wrong with any agreement which permits an introduction of Japanese into our country, that agreement should be changed. So I feel that I must definitely support the bill sponsored by the hon. member for Comox-Alberni (Mr. Neill), although I question that the government can do more than take the attitude of the house under counsel and advisement.

Japan is a feudal country, amazingly enlightened by the industrial progress created in the British Isles in the nineteenth century, and sealed to every other country in the world. Bushido, the spirit of Japan, is a feudal spirit, and we cannot deal with the Japanese as we deal with our own people. Great men and great women there are among them, with amazing minds and fine intellects; but the measuring rod for us in our Canadian citizenship and all that it implies must definitely be applied to them, and if we cannot determine their acceptability by that measuring rod we must not allow them to use the Japanese rod on our Canadian backs.

Right Hon. R. B. BENNETT (Leader of the Opposition): In view of the fact that the leader of the government may desire to make some observations on the question of policy, I think it desirable that I should present at this moment such remarks as I desire to make. First of all, I congratulate the hon. member for Comox-Alberni (Mr. Neill) upon the instructive speech that he made in proposing the second reading of this measure. I think that no member of the chamber can do otherwise than realize that

the whole situation has been very thoroughly and carefully canvassed and that all the relevant features of what has taken place have been clearly placed before the house. I think it well also that the hon. member for Vancouver South (Mr. Green), who has very strong views on the subject, has dealt with the situation with great moderation.

I well recall when I first had the oriental question, so-called, brought to my attention. It is now between thirty-five and forty years since that took place. I was then engaged professionally in business that took me frequently to the coast, and one of the members of a provincial government, who subsequently sat in this house and is now in the senate—the uncle of the hon. member for Vancouver South—directed my attention to what he conceived to be the serious situation which would arise in Canada if the immigration of orientals continued and their numbers increased as rapidly as promised. I am frank in saying that it did seem to me to be ridiculous to think that a few hundred people might thus embarrass the national life of Canada.

A few years later I took the trouble to investigate what was taking place in a particular school area in the city of Vancouver. I also had occasion during the last ten years to make a fairly close study of what was occurring on the Pacific coast, in shipping and other activities of a certain portion of our oriental population, and I realized then that the hon. gentleman who spoke to me so many years ago was absolutely correct in his diagnosis. As regards the information that has been given to the house this afternoon and evening, dealing with the question of numbers, the method by which they came to our country, and their increase, these are all matters which I am sure the house has received with very serious concern, because, as it now appears, they are matters of tremendous importance.

I could add something to that; but in view of the fact that very special conditions prevail at the moment in China and Japan, it is not desirable that anything should be said in this chamber which would give cause for acrimonious references or for either party to the conflict to believe that we were taking a position which was actuated by prejudice. It is quite clear, however, that in British Columbia a very serious situation is arising, and it may manifest itself in strange ways, unless we are exceedingly careful, within the next few months. The men with whom I have come in contact in recent weeks and months lead me to believe that their patience is well-nigh exhausted. I appeal to some of my friends opposite if that is not a fair and correct statement of the situation.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: I would not for a moment have it thought that I desire to exaggerate by a hairbreadth so serious a matter, but I think I have not stated it too strongly in the terms which I have used.

That being so, I realize of course the difficulties of the government in dealing with the matter. I realize the difficulties, for instance, that I would have if I were called upon to deal with a situation that the Prime Minister (Mr. Mackenzie King) has to deal with at this moment. Why? Because we are endeavouring to maintain, shall I say a measure of neutrality in a great conflict that has aroused the passions and prejudices of many people in many parts of the world. This is certainly not the time nor is it the place to discuss what I conceive to be the well settled national policy of the empire of Japan.

I quite agree with what was said this evening by the hon. member for Comox-Alberni, that China must one day "come back." I care not who you are; if you have taken the trouble to read something of the history of Chinese civilization; if you have read the Life of General Gordon as it applied to his experience in China, you cannot but realize that they are a very great people, a people numbering four hundred millions, whose ancestors, a warlike race, swept over the whole of the country south of Manchuria and conquered wherever they went. These people, four hundred millions in number, will come back. At the moment they are, although not mortally stricken, engaged in a desperate conflict with one of the most highly mechanized and powerful nations in the world.

I repeat that it would be out of place to discuss what I conceive to be the national ambition of the Japanese empire. They have made it known to us at many times and in definite terms; they have not been hesitant in expressing their views of what they believed their mission was, and their destiny, and they have indicated clearly on more than one occasion what they believe to be their place in Asia.

This is not the time to discuss the matter, but one may point out that this great dominion of ours marches upon the Pacific ocean. Our coastline on the Pacific is long; it is all in the province of British Columbia. Although I had intended to refer to the matter, I think perhaps I should not make any reference to what my investigations, such as

they are, lead me to conclude to be the facts as to the knowledge that these people possess of our coastline, our ports, our harbours and our resources in British Columbia. I shall refrain from making that reference.

Now, as the government has endeavoured to maintain neutrality, my friend the hon. member for Yale (Mr. Stirling) has pointed out that our hands were tied in days gone by; for the action of the British government —I believe it was in the days of Lord Lansdowne at the Foreign Office—did not leave us that measure of freedom of action which we now possess and which we have possessed for some years. As we now possess that freedom of action and that ability to deal with the situation in its entirety, that ability which an autonomous people should possess, I think in our effort to maintain neutrality we should be fair to both the Chinese and the Japanese; and as we have placed absolute restrictions upon the Chinese, apart from the limited exceptions which have been referred to to-day, and which really are no exceptions to the general prohibition, I think we should take similar action with respect to the Japanese.

I am wholly in accord with this measure; I do not believe that we should play favourites in this matter. On the other hand, an immediate action of that kind could only be construed in one way, having regard to the unfortunate conditions which prevail in the orient, and therefore I say to the hon. member for Comox-Alberni that as a member of this house, with a certain measure of responsibility and knowing something of the great burden of obligation that rests upon a government at a time like this in endeavouring to observe neutrality, I could not vote for a measure which did not restrict the operation of the act until such time as it came into force by proclamation. In any event I believe it would be necessary to provide that the act should not come into force until proclaimed. It well might be that for reasons which are apparent it would be desirable, perhaps, rather than have the act come into force by proclamation, to fix a date a year hence, say, or whatever time might be regarded as reasonable, in order to enable the government to make such adjustments as might be decided upon through representations to the Japanese government and through negotiations carried on through diplomatic channels.

But, that action should be taken, I am bound to say to the right hon. the Prime Minister I have no doubt. I say that with some hesitancy, because, when the matter was first brought to my attention some thirty-five years ago, I was of the view that a great people such as this nation, living in a vast area such as Canada, need have no concern about a few hundred people from the orient. I have stated already that I have had to change my opinion in the light of what has occurred. Indeed, I care not who you are; you cannot visit the Pacific coast of Canada; you cannot go up that coast as I have done in a boat and see the fishing operations, coming in contact and talking with those who have settled in our country and have attended our schools, without arriving at a definite conclusion. I suggest to the government, with a full realization of their difficulties and responsibilities, that we should not hesitate to declare ourselves as determined to maintain the same measure of treatment, now that we are free to do so, to those who come to our land from Japan as to those who come from China. This will make for peace; it will make for a better understanding, and in the end it will make for the development of our Canadian civilization. I am satisfied that that is so.

I think it would be unwise, Mr. Speaker, for one to say what crowds in upon one's mind with respect to this matter. I am not unmindful of exactly what is involved, and I shall content myself therefore with saying that with the principle of this measure I am wholly in accord. It is necessary if we are to maintain our neutrality between the great ancient empire of China, now in so sad a situation, and the young and vigorous empire of Japan—young in its present manifestations. If we are to maintain that measure of neutrality which the government is anxious to preserve, and if we are to assist in bringing about lasting peace by the action we take, I cannot but think that we must treat both the Chinese and the Japanese on exactly the same terms. If I remember my history, the more ancient civilization is that of China. It has behind it a record of achievement in arms, in arts, and in culture that leaves most of our western civilization somewhat envious. I believe that we must do what I have suggested if we are to maintain an even balance, a neutrality between those two countries.

On the other hand, not for a moment would I pass the bill in its present form. Without placing a time limit as to when it should come into force, or providing that it should become effective by proclamation, I think we would be courting a very serious situation indeed, and one which we could not contemplate at this particular moment, having

regard to our earnest desire to keep our own country out of the conflict in Asia. I entreat the government to realize how serious the situation is, and I think I can say to the Prime Minister that his Minister of National Defence (Mr. Mackenzie) has a clear appreciation of it. Having come into this country from the old land, without any inherited prejudices or any feeling of animosity in the matter, he has seen conditions as they have developed under his very eyes; his conclusions, I have no doubt, have been communicated to the Prime Minister in council and otherwise, and I believe that if his views are as unchangeable in this regard as they are upon the monetary problem, he will still feel, as he has expressed himself in times past, wholly in accord with the views which have been put forward this evening.

I repeat, however, that I would not for a moment suggest to the Prime Minister that the government should permit the bill to be enacted and go into force just as it stands, as a peremptory prohibition, without some provision which would enable the government for a year at least, through diplomatic channels and otherwise, to convey to the people of Japan the will of the parliament of Canada, that the gentleman's agreement, so-called, could no longer be made effective. If I were to say what was in my mind with respect to the gentleman's agreement, I think I would but read the report of the League of Nations and the Lytton report as indicating just why I would no longer call it a gentleman's agreement. I do not think I am going too far when I make that observation, though I shall not go further lest it be said that one has stirred up acrimonious feelings in a matter of this kind. I believe, however, now that we are free, as compared with our position in days gone by, to deal with this matter, that we should not hesitate to do so, because it is obvious that to permit a foreign power to determine who should come into this country under the terms of an alleged gentleman's agreement is a violation of all the rules which govern the national life of a country that pretends to be a nation, and is at variance with what I conceive to be the Japanese notion of a self-respecting and independent thinking people, namely the Canadian people. Therefore, Mr. Speaker, I have indicated the trend of my own thought and the conclusion my own observation has led me to with respect to this matter. I have endeavoured to make it clear to my fellow members that I conceive it to be a matter no longer concerning British Columbia only, but one which touches the life and hope and ambition and ideals of the whole Canadian people, and that the longer action upon it is delayed the more difficult its ultimate solution is going to become.

One of the reasons why one hesitates to press for an immediate solution is to be found in the fact that events taking place in Asia would render it open possibly—possibly I say—to a wrong construction, and might place us in an invidious position in the eyes of the peoples of the world in our alleged endeavour to maintain neutrality. Therefore, while I should like to commend the hon. member who introduced the measure to the house, and hope that the government are prepared to accept the principle of it, I am one of those who, accepting that measure and believing strongly in it, would not for a moment urge its passing in its present form, as I believe it would be a very dangerous thing for us to do at this time. But I believe that we should pass it and add to it a section by which it would be provided that the measure should become effective only—I should think we might well say—on the first day of July, 1939. The hon. member for Comox-Alberni may think I am taking a great liberty with him when I make that suggestion, but I think the reasons for it will occur to him at once. I trust that in order that the whole Canadian people may be a unit in dealing with this question we may place ourselves on record in the manner indicated, and not embarrass the government in their endeavours to maintain neutrality by providing a lengthy period of time within which our friends—our friends I say—the people of Japan, may understand that the end of our patience has been reached and that we no longer desire to maintain an agreement which is predicated upon false principles and in its application has been found to be an incentive—I shall not use the strong word I should like to use—to entry into this country of large numbers of their citizens.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like, Mr. Speaker, my first word on this measure to be one of thanks to the hon. members of the house who have participated in the debate for the moderation of tone which they have shown throughout in discussing a question which they recognize is of much wider concern than to our own country alone. I should like particularly to thank the right hon. leader of the opposition (Mr. Bennett) for having helped to interpret to the house the position of the government in dealing with this situation at this time. I say frankly that I know of no single measure which has appeared on the order paper thus far, or of anything that is likely to come up for discussion in this parlia-

ment, that has caused my colleagues and myself personally the same great concern as has the appearance at this particular time of the measure introduced by the hon. member for Comox-Alberni (Mr. Neill). He himself has made quite clear in the debate this afternoon that the measure which he has presented is one of Japanese exclusion. I wish to emphasize that fact. The bill which we have before us at the present time, innocent as it may appear in its phraseology, and limited in its scope as the hon. member who introduced it has said it is, is nevertheless, according to his own statement, one of Japanese exclusion. That raises a question which is serious indeed. I would ask the house to consider whether in the light of the situation as we know it to-day, not only in the orient but throughout the world, it is advisable for this parliament at this time to enact an exclusion act against the Japanese.

The hon. member for Yale (Mr. Stirling) in the course of his remarks said that he thought we should speak no words that can be taken as an affront to another country. With that sentiment I think we are all most heartily in accord. I think the house and the country are to be congratulated upon the fact that in the debate which has taken place to-day, in which hon. members have had perfect freedom to express their views, there has not been, unless one might wish to be censorious, a word spoken that could be taken as an affront by any nation. That is a very great relief to my own mind, knowing the responsibility which rests upon a government as to what may be said or done with respect to the different measures that come before the house. I remember in the debate on the address expressing the hope that hon. members would realize how very grave the international situation is to-day, and that things would not be said in this house which, however well they might be understood here, might be capable of being wrongly interpreted elsewhere, and that above everything we should be most careful at this time to avoid adding any fuel to the flames of international strife which are already far too widespread throughout the world. It is in questions of this kind that racial hatreds and prejudice have their roots. They serve so often to start a train of discussion that arouses or fosters international bitterness and hatred which lead in directions and to consequences of which those who may be responsible for them at the beginning have no conception whatever. So, to-day, in considering the position the government should take on this measure, up until almost the last moment I asked myself whether it would not perhaps be in the interests of Canada—and when I speak of the interests of Canada in this matter let me say I am thinking of the interests of the entire British Empire and of the democracies of the world at the present time—whether it would not be perhaps in the interest of us all that I should immediately follow the hon. member for Comox-Alberni and point out frankly to the house how a measure that meant Japanese exclusion if proceeded with at this time might be viewed on the morrow in Japan and by countries associated with Japan, and ask the house to allow me to move the adjournment of the debate. But the more I considered it the more I felt certain that hon. members would have a full consciousness of the seriousness of the international situation and could be expected to do just what they have done, namely, speak their minds quite frankly with respect to the problem, treating it as a national problem, which it is, but being careful in the expression of their views not to say anything which might be capable of being misunderstood elsewhere.

I agree entirely that this is not a problem of British Columbia alone. Those of us who come from the other provinces of Canada must have an intense sympathy with the citizens of British Columbia who have had to carry pretty much the whole burden of one of the greatest national problems with which our country is faced. It is a grave and acute problem, and is presented in its gravest and most acute form in British Columbia. I would say to our friends from British Columbia that I am sure hon. members from all parts of Canada realize that they have a very grave situation to meet there, and that we all are most anxious to join with them in every possible way in furthering its solution. But we believe that they, as well as those of us from other provinces, will recognize that we have to be more than circumspect at this time as to the manner in which we seek to arrive at a solution.

My right hon. friend has spoken about his first interest in the question of oriental immigration, and referred to it as having been some forty years ago. I have on my desk at the moment a report on immigration to Canada from the orient and immigration from India in particular which, as Deputy Minister of Labour, I prepared for the government of Canada in 1908. My interest in the oriental immigration question arose naturally and inevitably in connection with the position which I held as Deputy Minister of Labour from 1900 until 1908, and also during the years

immediately following when I was Minister of Labour. In the course of those inquiries I had the exceptional opportunity while visiting Great Britain of conferring with many of those who had most to do with oriental problems, and particularly problems of emigration as they affected India. Later I was sent on a mission to confer with the government of India on the question of emigration from India to Canada. Subsequently I went to both China and Japan to discuss with the governments of those countries matters affecting emigration from those lands to Canada. From that time to the present I have followed this question as carefully and as closely, I think, as any question that has interested me in public life. I have realized, as everyone must who looks at world trends and movements to-day, that despite what any government may do, each year makes more inevitable the drawing nigh of the day when we shall see how the great question of differences between the peoples of the orient and those of the occident are to be finally settled, whether it is going to be possible to settle these differences by peaceful means, or whether we are to have in the end more in the way of international conflict as the only means of settlement.

I personally believe that everything which can be done that may avoid conflict, should be done. I think in the attempted solution of these great international problems, we should do everything we can to avoid the possibility of conflict, and it is from that point of view that the government takes its position with regard to this particular measure.

The hon. member for Comox-Alberni, as I have said, stated that the bill he had introduced was one providing for Japanese exclusion. He put it on the ground that we had excluded the Chinese and that therefore we ought also to exclude the Japanese. May I say that I agree with the view expressed by the right hon. leader of the opposition, which I think is the view of the hon. member for Comox-Alberni and, I might say, of all hon. members here, that so far as China and Japan are concerned, the citizens of those countries deserve like treatment in matters of this kind. I do not think there is any reason why the one people should be favoured more than the other. Indeed I would go further and say this, that all that bears upon the question of immigration from Japan or China also bears upon the question of immigration from India to Canada, with this in addition, that the problem as respects immigration from India is complicated still further by the fact that the natives of India are British subjects. So, in considering this question, we must view it in the light of its bearings upon all the oriental peoples.

My belief is that the question of oriental immigration is best settled by agreement, if it can possibly be settled in that way, rather than by exclusion acts, which are offensive in the eyes of oriental peoples. There is no single measure, I think, more likely to arouse the indignation of a people than that an act, which is avowedly an exclusion act, should be enacted against them by another country. The hon. member for Comox-Alberni says, "Well, the Chinese do not take any exception to this. They seem to be quite satisfied." May I say to my hon. friend that he is entirely wrong in that assumption. The Chinese government and the Chinese people have resented very much the fact that they are totally excluded from Canada, and they have made representations to the government time and again to that effect. I remember that the former Chinese consul general in this city—notwithstanding a consul general has not the rank of a minister and therefore has not the same immediate approach to a government to speak in the name of his nation—when we were previously in office, repeatedly came and spoke about the wrong that China felt was being done her because of the act that had been passed by this parliament. When I was at the League of Nations in 1936, Mr. Wellington Koo, who has been the chief exponent of China in the trying times with which that country is faced at the moment, spoke to me very strongly about the harm that he thought our legislation was doing Canada in the eyes of the Chinese. He pointed out that he thought China might be one of the best markets for Canadian wheat; he thought China might be a good market for much of our other produce; that China had many reasons to have kindly feelings towards the dominion, but that to his certain knowledge the act we had passed had been to the prejudice of our trade with that country.

Mr. NEILL: Was not the fundamental reason for their objection the discrimination that we exercise in allowing Japanese into the country and not allowing Chinese to come in?

Mr. MACKENZIE KING: No, that was not it. I am glad my hon. friend has asked the question, for while that was mentioned, it was not the principal reason.

The question arises immediately as to whether the way to remedy a situation, if you have done an injustice in one direction, is to seek to perpetuate that injustice still further by similar action in another direction. I am

not saying that we have done an injustice; I am simply stating the view which the Chinese government take of the situation, in having their nationals excluded from this country. I am not at all sure that an agreement might not be reached with both China and Japan on a reciprocal basis which would lead practically to no emigration at all from those countries to Canada or from ours to China or Japan. I do not think there are many people in Canada who in the years to come will wish to go as labourers or domestics either to China or Japan. I am sure, however, there will be many who will wish to go as merchants, and others who would wish to go for purposes of trade. I believe the people of the orient are just as wise as we are in realizing that there is a great economic question here which is bound to occasion perpetual misunderstanding between countries unless it is adjusted in some reasonable way, and I feel that if approached in the right manner they will be prepared to meet other countries in a spirit which will help to save the situation.

The problem is not one of inferior or superior races. It is not a racial problem at all. The problem is one of different civilizations, of different economic structures in the different countries. As long as there are those differences there is bound to be unrest as a consequence of immigration which leads to unfair and undue competition on the part of those who have lower standards of living and who may not assume the same measure of responsibility with regard to their citizenship as do the citizens of the country to which they come. I think it is from that broad point of view, that this question must be faced.

I do not agree with the statement that what is known as a gentleman's agreement cannot be kept. I shall give to the house figures which prove that in the last few years the gentleman's agreement between Canada and Japan has been kept. I venture to say that under no exclusion act would it be possible more effectively to restrict those coming into the country than has been the case under this arrangement, as administered in the last few years, ever since, in fact, the opening of our legation in Japan.

Regardless of what legislation or agreement exists, undoubtedly there will always be efforts to smuggle men into other countries. That effort would go on under an exclusion act just as much as it would under a gentleman's agreement fixing numbers at a very few.

Mr. BENNETT: There is more difficulty about identification.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: No, no difficulty about identification, either, due to the way in which the existing agreement is being carried out. I shall have a word to say about that in a minute.

I am now pointing out that an agreement, supported by effective regulations, is just as capable of efficient enforcement as is any exclusion act. The experience of the last few years has taught us that conclusively.

I should like to say a further word about the Chinese attitude toward the present legislation. May I tell the hon. member for Comox-Alberni what has occurred since the beginning of this very year. When the new Chinese Consul-General, Doctor Chang-Lok Chen, who has just come to Canada, arrived in Ottawa, he came to call on me at my office, shortly after his arrival. Like many of his fellow citizens, Doctor Chang-Lok Chen is an exceptionally well informed and cultured gentleman. He is a graduate of the University of Chicago and of Yale University and holds the degree of Doctor of Philosophy. He acted as Consul-General in Calcutta, was a Consul-General in the United States, and is now in our capital as a Consul-General of China in this country.

On his first call Doctor Chang-Lok Chen spoke about our legislation against China. He made no mention whatsoever as to its being discriminatory against China in comparison with Japan. Rather he spoke of the friendly relations which he would like to see further developed between China and Canada. What he actually said was that his government hoped that when the unfortunate conflict in the east was ended we might find it possible to do for China what we had already done for Japan, namely send a minister to China who would be in a position to meet the Chinese government in the discussion of matters of mutual interest to the two countries, and who could be of assistance in helping to further what he believed would be a very substantial trade between the two countries. He was explicit, however, in saying that this subject could not even be tentatively discussed at the present time, because he realized that so long as there was a conflict in the orient, such as is proceeding to-day, he could not ask the government to consider the advisability of taking the step he had indicated. He thought that would not be possible until the conflict was completely over.

I said the present agreement with Japan was one which had been effective in restricting immigration from Japan to Canada. Be-

fore I conclude I shall read to the house the statement I made on June 28, 1928, with respect to the agreement reached at that time. I am not going into the history of what occurred during the past forty, thirty, twenty-five or twenty years to account for the thousands of Chinese and Japanese who came into the country during that period. All hon. members know the reason for the numbers. We recall that there were those who were seeking to develop the province of British Columbia and who believed the best way to do it was to bring labour from the orient, just as in the early days when the United States was being developed labourers were brought from Africa and from other countries to help develop the new territories and resources of that country.

To-day we are reaping the fruits of greed and avarice—if one wishes to use those terms to describe the desire of men to enrich themselves as rapidly as possible. That is only a consequence of the great law which rules the conduct of nations as well as that of individuals. The children pay for the sins of their fathers, and the extent to which we in Canada to-day are suffering from an excess in the numbers of orientals in our country is due to the fact that there was a period, not so long ago, when the country was prepared to believe that it was desirable to permit large numbers of a class of coolie labour to come into Canada to build our railways, work our mines and help develop other of our resources.

Since that period has passed, each government, as it has been in office, has sought to meet the situation as effectively as it could, in the light of the then existing conditions. There are many factors we are apt to lose sight of as the years go by. For example, in connection with this very matter of Japanese immigration, we do not think about what the Anglo-Japanese alliance meant some years ago, more particularly to other parts of the British Empire than to our own, nor what was then felt by the government of the day in Canada in recognition of a responsibility with respect to any step taken by Canada which might have ill effects in other parts of the British Commonwealth of Nations.

I wish to point out particularly that any action taken by Canada which would occasion resentment by any country in the orient would be resented, not merely as a step on Canada's part, but with the relationship of all its parts what they are, as something to be resented against the whole British commonwealth. In the light of the present world situation we cannot, whatever we do here, afford to lose sight of our obligation to other parts of the British Empire.

In seeking to deal with this matter of Japanese immigration it has been felt by all governments in Canada hitherto that a settlement by agreement, if it could be effected, was preferable to a step which was certain to be strongly resented. In his observations the hon. member for Yale made a further reference which I believe is worth keeping in mind. He referred to the obligation felt by hon. members from British Columbia toward those who returned them to this chamber. He referred as well to the obligation which all of us owe to those who will follow after us. I should like to emphasize that. In the working out of great international problems, nations do not forget the actions taken by one generation when, in a subsequent generation, a time comes to remember those actions.

I believe that acts of good-will and good intent are remembered equally with those which have occasioned resentment. If we can preserve good-will with other countries, and at the same time effect a satisfactory solution of our problems, we are not only serving our own generation, but serving future generations, and doing so in a much better way than we would by any other course.

My statement in 1928 was the following—

Mr. NEILL: What date?

Mr. MACKENZIE KING: It is to be found in the debates of this house for June 8, 1928, page 3980:

> I am pleased to be able to inform the house that following conferences with the Japanese government, in which the Canadian government made clear the difficulties created in western Canada by the economic competition of Japanese immigrants, the Japanese Minister for Foreign Affairs has informed us through the Consul-General of Japan at Ottawa, that the government of Japan does not contemplate that the total number of emigrants to Canada, including agricultural labourers and domestic servants, and wives and children of Japanese emigrants resident in Canada, will exceed a total of 150 annually. We have further been informed that steps will be taken to terminate the practice of sending for so-called "picture brides." The administrative measures directed to this end will go into force on September 1.
>
> The Canadian government has indicated to the government of Japan that hereafter in the case of immigration from Japan, as from other countries, the Immigration Act and procedure, including the provisions for viseing of passports and pre-investigation of applications will be administered by Canadian officials.

That was the position in 1928. The question that is most important at the moment is:

Has the agreement been lived up to? I can say to the house that it has been more than lived up to; that instead of the government having had difficulty in restricting the numbers to 150, the numbers have not by actual check and count reached 150 per annum since the agreement was made. Since we have had our legation in Japan, each passport has been visaëd by our own officers and inspected by our own immigration officials as these nationals of Japan have arrived in Canada. Let me give the figures. The administrative arrangements under the agreement did not come fully into practice until April 1, 1930, though the substance of the agreement became effective from September 1, 1928. The total Japanese immigration under the agreement has been as follows:

Japanese Immigration Under Agreement

Fiscal Year	Total
1929-30	135
1930-31	128
1931-32	135
1932-33	94
1933-34	99
1934-35	74
1935-36	68
1936-37	80

It will thus be seen that the number of Japanese immigrants entering Canada has been well within the maximum provided in the agreement. For the eight years from 1929 to 1937 the average is practically 100 a year, and for the past five years the average number has fallen to 81 a year.

Now I ask hon. members of the house, What is to be gained by passing an exclusion act at this time when, under an agreement made with Japan, the government of this country is bound to admit, and is glad to admit, that during the past five years the total number of Japanese who have come in under that agreement has not averaged over 81 per annum?

Mr. GREEN: May I ask the Prime Minister a question?

Mr. MACKENZIE KING: Certainly.

Mr. GREEN: How does the Prime Minister account for the discrepancy between the figures he has given and the figures shown in the report of the Department of Mines and Resources, at pages 242 and 243? The figures there are quite different and show that in three or four years the gentleman's agreement was not kept.

Mr. MACKENZIE KING: I am glad the hon. gentleman has asked the question, because he is not distinguishing between Japanese nationals admissible under the agreement, and Japanese who are admissible as British subjects. The figures he is looking at, if I am not mistaken, include not only those who have come in under the agreement but in addition some who have come in as of right, a right which they would have under an exclusion act, namely, as British subjects. They include Japanese British subjects who have been abroad and have come back to Canada, or have gone abroad and married and have brought their wives back to Canada, or have had a family and brought its members back to Canada. That is a right which every Canadian citizen has. When a man is a Canadian citizen he has the right, even if he does not take advantage of it, to have a wife and family and to bring them in from any country. It is in the exercise of that right that some of these Japanese have come back, thereby increasing the total. I was just going to give those additional figures to the house.

Mr. GREEN: I think it was stated in the terms of the agreement which the right hon. the Prime Minister quoted a few minutes ago that the 150 would include the wives of Japanese who went from Canada as naturalized subjects, married abroad and brought their wives back.

Mr. MACKENZIE KING: No, I did not make any reference to them. What I said was this:

> The government of Japan does not contemplate that the total number of emigrants to Canada, including agricultural labourers and domestic servants, and wives and children of Japanese emigrants, resident in Canada, will exceed a total of 150 annually.

Mr. GREEN: Surely that third classification covers just these cases—Canadian Japanese who went back to Japan.

Mr. MACKENZIE KING: No. If a Japanese comes to this country who is not already a citizen, and brings his wife with him, she in addition to himself is counted as one of the quota of 150. If he comes back with a wife and five children, six additional of the quota have been taken up: the wife and children, with himself, making seven in all. Counted in that way the total quota has not been reached, and the figures I have given are the correct ones.

Mr. GREEN: Actually the immigrants who have come in for several years have exceeded the number of 150, have they not?

Mr. MACKENZIE KING: I am coming to just what the number was. Let me make it perfectly clear that the agreement relates to Japanese nationals coming to Canada, whether they be men, women or children, and

the quota cannot exceed 150, and it has not exceeded 100 on the average in the years the agreement has been in force. The average for the last five years has been about eighty-one.

Of the other group, those who are British subjects, who have been back in Japan for a time and have returned to Canada and brought with them wives and children, there have been a certain number, but the addition is not anything like the hon. member for Comox-Alberni would have the house believe. I shall give the house the exact particulars.

There are a limited number of Canadian nationals of the Japanese race entering Canada each year. These are, of course, completely outside the agreement. For the most part they are wives or children of Canadian nationals who returned to Japan and married, and later have come back to Canada. The number in the past eight years averages twenty-five women and fewer than ten children a year. In the past five years only fourteen women and three children a year have come in.

The complete total of immigration from Japan is to be found in the figures I have given, and I say, Mr. Speaker, that if there are any others outside that number who have come in, they have come in surreptitiously and illegally, and they could and, in all probability, would come in in exactly the same way, though perhaps in larger numbers, if there was an exclusion act.

In the light of these figures, which cannot be challenged, for they are authentic, as recorded by our own government officials who have been watching the whole business very closely, I ask hon. members, Is it desirable at this time to go further and pass an act which will totally exclude the Japanese? What would be the effect of passing such an act? We have one instance of record which might help us to discover what would be the result. The United States Government in 1924 passed an act. They did not call it an exclusion act, but it came to that, and the minute that act was passed an international situation developed which was a very, very serious one indeed, one the like of which I think none of us would care to see precipitated at this particular time. Let me give the house the particulars because they illustrate exactly what would inevitably follow from the course which the hon. member for Comox-Alberni has suggested, were it adopted as his bill proposes.

The United States law of 1924 took the form of an amendment excluding "aliens ineligible to citizenship." Under existing statutes, citizenship of the United States was confined to persons born in the United States, regardless of race, and to naturalized persons, naturalization being limited to "free white persons and to aliens of African nativity and to persons of African descent." While aimed at the Japanese, it applied to all Asiatics. According to the Japan Chronicle, an English paper published in Kobe:

> No diplomatic event for many years aroused so much comment and excitement as the passage of the exclusion law in the United States.
>
> Resolutions of both houses of the Japanese diet, public demonstrations, newspaper articles, missionary societies, all protested vigorously.

If that was the case in 1924 upon the enactment of an act by a great country like the United States, I wonder what would be the effect in Japan to-morrow if it were announced that one of the British dominions—and it would not be distinguished at all from the British Empire as a whole—had taken this particular measure.

May I pause here to say that one of the most regrettable features of the international situation to-day is that there are busily at work in Japan at the present time numbers of persons who are doing all they possibly can to foment differences between Japan and Great Britain. That is generally known. The British government in its reports has referred over and over again to that fact. It has endeavoured to have the public distinguish between what is the true feeling and the feeling that is being stirred up for ends that are anything but justifiable or worthy. That is the situation to-day. We must remember also that in every country to-day which is engaged in conflict there is a peace party as well as a war party. It so happens that in some countries the war party has gained control. That is the situation in Japan; and the party in control has taken measures with which, unquestionably, a large number of the people have no sympathy. There are those in Japan who are struggling to maintain the friendship which has existed over so many years between the British and the Japanese, and I say that we, as one of the dominions of the British commonwealth, ought to do, and I believe will do, all that we can to preserve that friendship to the greatest degree possible, and certainly we ought to do nothing to increase the emnity that is being fostered.

I have in my hand a copy of a treatise on Oriental Exclusion, by Mr. R. D. McKenzie Ph. D., professor of sociology in the University of Washington. Let me read a paragraph or two of what is said in that publication about the effect upon the Japanese, and the Chinese of the United States act of 1924. At page 42 the writer says:

> To the Chinese the act of 1924 was but another form of persecution and "gratuitous affront" added to a condition that was already severe enough.

At page 45:

To the Japanese, the passing of the law came as a bolt from the blue, at once a suggestion of lack of national good faith in carrying out the gentlemen's agreement, and a reflection on national pride and racial dignity. The Japanese opposed the act during the period of its inception and still oppose it on political rather than on practical grounds.

Then he quotes what is an extremely interesting and valuable dispatch, one which bears directly on the measure that is before us at the present time. It serves to illustrate what we might expect if the bill of the hon. member from Comox-Alberni were to be enacted. It is a communication from Ambassador Hanihara to Secretary Hughes of the United States dated April 10, 1924. This is what the Japanese ambassador had to say to the government of the United States:

To Japan the question is not one of expediency but of principle. To her the mere fact that a few hundreds or thousands of her nationals will or will not be admitted to the dominions of other countries is immaterial, so long as no question of national susceptibilities is involved. The important question is whether Japan as a nation is or is not entitled to the proper respect and consideration of other nations. In other words, the Japanese government asks of the United States government simply that proper consideration ordinarily given by one nation to the self-respect of another, which after all forms the basis of amicable international intercourse throughout the civilized world.

In concluding his volume, this writer, at page 180, makes the following observation after a careful study of the whole situation:

Exclusion differs from restriction principally in the mental attitudes involved. The practical results of the two methods are about the same. Each limits the number of arrivals. Each presents about the same kind of individual and administrative problems. Exclusion, however, differs radically from restriction from the standpoint of group attitudes. Exclusion discriminates in a manner that is offensive to the racial and national dignity of the group excluded. This is especially true when exclusion is based on the principle of ineligibility to citizenship. For then it conveys the obnoxious implication that the people excluded are biologically inferior.

Both China and Japan, according to the repeated utterances of their representative leaders, accept the principle of immigration restriction. They realize that it is in the interests of all concerned to prevent a too rapid intermingling of the races. They do object, however, to being discriminated against on the basis of race when such discrimination is unnecessary to achieve the end desired. There seems to be no fundamental difference of opinion regarding the objective. The conflict arises in connection with the method employed. It has been pointed out on numerous occasions that the quota principle, as at present applied to Europeans, if applied to Asiatics, would admit such a negligible number that the practical end of exclusion would be achieved and without the sacrifice of international good-will.

I say, Mr. Speaker, that these are words of wisdom, which should be carefully pondered at this time with respect to the course that is proposed in this bill.

My right hon. friend the leader of the opposition has said that he agrees that the bill should not become operative immediately but that a date should be fixed some time hence when it would come into force. May I ask the right hon. gentleman if he really believes that this would at all relieve the situation which would be certain to develop once parliament passed a measure of this kind. I come back to what the hon. member for Yale said, that he hoped no words would be uttered in this house which would cause any affront to any nation. Well, if that is the hope of all of us here, must we not be doubly careful to see, not only that no words cause an affront but, what is much more important, that no act of the parliament of Canada causes an affront? That is the really serious thing. That is a consequence we have to consider with regard to this measure.

Other countries will understand that in our parliament as in all parliaments hon. members express themselves in different ways, some may say things which they themselves later on may come greatly to regret; and most countries fortunately are prepared to make allowances for that kind of thing. But when it comes to a parliament enacting a measure, there one nation speaks to another. I therefore submit that at this time, with the affairs of the world what they are, this parliament of Canada should not contemplate for one minute placing an exclusion act upon its statutes, especially an act directed against Japan, where we have before us the evidence that, so far as Japan is concerned, she has been perfectly loyal to the agreement that now exists and has more than carried out its terms.

I know that at a time like the present, with feelings aroused as they have been by the conflict in the orient, passions are more easily stirred, people discuss these questions much more freely; they go much further in their language and assertions; reports become exaggerated, and little by little a new situation is created. And I am afraid it is only too true that in British Columbia at the present time there is an extremely serious situation arising from that very fact, and from the further fact that the depression has empha-

sized the extent of the competition of the oriental with our own people. I would ask this question however: Shall we be making the situation any better so far as British Columbia is concerned if we take the course that is proposed here to-night? Would not the effect rather be, so far as British Columbia is concerned, that instead of being faced with one problem, which is very difficult, that province would be faced with a second problem which would be equally menacing if not more dangerous? We are finding it necessary now to take what steps we possibly can to ensure the security of the people of British Columbia. We must, therefore, be doubly careful to see that our actions give no cause for offence.

During the past few years and particularly of late the government has been investigating very carefully and fully the matter of surreptitious immigration into the country. As I have said, whether you have an exclusion act or you limit by agreement, there are bound to be efforts at entry on the part of those who wish to get into the country and who are not free to do so under existing arrangements. Those efforts may succeed in part; for although a country does its best in its administration of its laws, it is not possible entirely to frustrate such efforts. But the different departments of this government have been exercising a careful scrutiny of the whole situation, and in the light of recent developments, doing so to an extent that has not been attempted in the past. The hon. member for New Westminster (Mr. Reid) mentioned this evening that he himself had learned that the Royal Canadian Mounted Police had discovered many cases of illegal entry and that some nine hundred persons had been sent out of the country in consequence. The officials of the immigration department, the fisheries department, the external affairs department, the mounted police, the intelligence branch of the defence department, have all been working together, at Ottawa, with respect to regulations, and in British Columbia in actually seeking to enforce the laws and regulations and to prevent aliens from coming into the country surreptitiously and to send out those who have come in illegally. They have been doing so of late to a degree that has never been attempted heretofore. We intend to intensify that investigation into illegal entries into Canada, and I wish to assure the house that everything that the government can possibly do to prevent anything in the nature of illegal entries will be done.

With that assurance, Mr. Speaker, perhaps I have said enough to cause the house to feel that I would be justified in moving the adjournment of this debate. I think it would be unfortunate were hon. members compelled, with the international situation what it is to go on record at this particular time with regard to this bill. A division would certainly serve only to place in a very false position many of those who are desirous of doing only what is best from a national and international point of view and who realize that the time has come when we must look at all controversial questions in the light of the present world situation. Their position would certainly be misunderstood. There are, I know, many who for local reasons would wish to support the measure, who for international reasons might well feel they could not. I hope they may be spared that necessity.

I would therefore move that this debate be now adjourned, and in doing so I hope the house will fully appreciate the motives which actuate the government in taking that step.

Mr. NEILL: The motion is not debatable, Mr. Speaker?

The ACTING DEPUTY SPEAKER: The motion is not debatable. Mr. Mackenzie King moves, seconded by Mr. Dunning, that the debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Mr. NEILL: No.

The ACTING DEPUTY SPEAKER: Carried.

Some hon. MEMBERS: No.

Some hon. MEMBERS: On division.

Motion agreed to on division.

COPYRIGHT AMENDMENT ACT, 1931

FURNISHING OF LIST OF DRAMATICO-MUSICAL OR MUSICAL WORKS OWNED OR CONTROLLED— PUBLIC RADIO RECEPTION OR GRAMOPHONE REPRODUCTION

Mr. W. K. ESLING (Kootenay West) moved the second reading of Bill No. 12, to amend the Copyright Amendment Act, 1931.

He said: I desire to preface my remarks on this bill with the assurance to hon. members that it does not in any way prejudice the rights and privileges of authors or composers. It does not refer to literary copyrights; it refers only to dramatico-musical or musical works. Specifically the bill refers to the Canadian Performing Right Society, a corporation engaged in the business of acquiring copyrights and collecting fees in compensation for the use of music. This society claims to hold, by assignment, from the

American society and from English and European societies the copyright to between two and three million titles, but in reality it does not know just what it does own. It claims to own practically everything on the air, and with that assumption there has been no interference. The society has actually registered between 150,000 and 200,000 titles and the purpose of the amendment to the Copyright Act is to require the society to furnish to those from whom it exacts payment a certified list of the music which it actually does control.

Invariably when an amendment to the Copyright Act is suggested we are reminded Canada is a signatory to the Berne international copyright convention and that as such we have certain obligations. May I again assure hon. members that this bill does not in any way violate any such obligation. Successive international conventions have made it clear that the means of redress and the extent of protection of authors and composers are governed exclusively by the laws of the country in which protection is sought. Canada has an excellent Copyright Act. It affords to composers and authors as much protection as is afforded by the copyright act of any country in the world.

The purpose of this amendment is to protect the public. This bill is not offered in a spirit of partisanship, because the Copyright Act has been administered by governments of both parties. The great difficulty is in the wording of one section, which gives this society authority to collect fees for all the music which it claims to own. Now that is a pretty large order, because a man can claim almost anything. Not many hon. members pay out money to someone merely because he claims a right to collect it; they want to know more about it. It is this authority claimed by this society which has permitted it to run wild. It has run so wild, has carried on its business by such aggressive and dictatorial and oppressive measures that it has harassed the small users of music. Surely it cannot be said that the proposal merely to require this society to furnish people with a list of the music it controls is a very great burden. If a person in British Columbia, say Prince Rupert, desires to know from this society whether it has the copyright on a certain piece of music the society simply tells him to go to Ottawa and ascertain for himself. That is not a very courteous answer. Those people far away cannot, without considerable difficulty, send to Ottawa or have people in Ottawa look up for them a copyright registration. I have printed matter showing that if you write to the society asking whether they control this, that or the other piece of music the society maintains the right to charge for the information.

As to the exact ownership of these two or three million titles which the society claims, let us see whence it comes. In the first place there was an assignment from the American society. The American society is not in very good odour in the United States. If hon. members were to look at the magazine Time, the issue of December, 1935, they would find that four very large companies owning about forty per cent of the music controlled by the American society had withdrawn from that society and they did not return to the fold for nearly a year. Yet the Canadian society is collecting fees from Canadian citizens for music belonging to a company which had withdrawn from the American society. Therefore it is not a very dependable assignment. Furthermore, if you look to the United States, you find that the American society is in continuous trouble; that the states of Washington, Montana, Nebraska, Wisconsin and Florida have outlawed the society by legislation, and that some eighteen other states have passed legislation to curb its activities. In Canada we find that twice the Manitoba legislature has passed resolutions asking this government to curb the activities of this society. It is because of the society's oppressive tactics and because of complaints which I have from my own district that I think it advisable to refer to some of them.

Take first the fact that this society is capitalized with ten thousand shares of which only two are held in this dominion, the remainder being owned in the United States and England. The society is practically dictated to by the directors in New York. The society started collection of fees at a minimum of $10. There never was a maximum limit. Then the charges increased in accordance with certain conditions and the number of times music was produced. Then arbitrarily the society raised the minimum fee to $30. It was that increase and the many protests which resulted from it which brought about the appointment of His Honour Judge Parker as a royal commissioner to inquire into the matter. What did he find? Hon. members will see from his report that there were no Canadian authors having membership in the society, no Canadian authors or composers participating in its profits; that the funds collected were remitted to the United States after deducting only sufficient to carry the overhead. It was as a result of that report that the government appointed this appeal board to revise the society's tariff.

That appeal board is to be commended, because had they not acted as they did we do not know what figure these fees would have reached. First there was a minimum of $10; then up it went to $30, then down to $5, a figure fixed by the appeal board. And where the society went out to collect $30 and could not get $30 they were willing to take $20, and if they could not get $20 they would take $10. I know of specific instances in my own community.

They also take advantage of the fact that the government through the appeal board revises their tariffs. They say to the people: This is our tariff as revised and approved by the government appeal board. The application forms also refer to their repertoire. It is an application to use the society's repertoire and the licence issued is a permission to use the society's repertoire. Well the society has no repertoires and never had. It does not know to-day what it owns. When they tell us through their paid lobbyists who have been patrolling the corridors of this building that it would be impossible to prepare a list, that a list would be so expensive, I do not think it is asking very much, because a list of the works this society owns would hardly make a book larger than the Montreal telephone directory.

The provision is that titles shall bear the date of the copyright, so that it may be readily seen when that copyright expires. Then, as occasion requires, additional leaves can be handed the licence holders in order that they may know what is the new music. As to the work which they contend the preparation of these lists will entail, I should like members to read some of the application forms and the printed matter of this society, in which they impose upon licence holders requirements which are absolutely incredible. First of all they ask the applicant to fill out his forms according to periods. That period may be for a week, for a month or for a quarter, and when he makes that application he undertakes to fill out a weekly, monthly or quarterly report. Then they require him to tell, first of all, whether the music is vocal or instrumental or mechanical. They want him to tell whether it is produced by a piano, a piccolo, a gramophone, a saxophone or a radio. They want him to tell the name of the author and the name of the arranger and he must tell just how many minutes, how many hours and how many days this music is performed.

Then they tell the applicant how to arrive at the basis of charges, and I am reciting this because it indicates the work which this corporation imposes upon applicants from whom it seeks to collect licence fees. Why, it requires one to tell first of all the title of the music and how many minutes that music has been played. Then it says that a certain charge is made to hotels, to restaurants, even to boarding houses, to cabarets, to skating rinks, to stores and all down the line in these places where small music is performed and where it was never intended that licence fees should be collected. They say the charges against these various places of business are to be calculated on the hour performance basis. The hours of performance are calculated, first of all, by multiplying the number of musicians, the greatest number of musicians, including the leader and soloist, in any one performance in any one hour of the time by the number of hours. Then you carry on a series of calculations and multiplication. You multiply that by the greatest number of days on which music is produced. Then you multiply the greatest number of days by the greatest number of weeks in any period. Then you multiply that by the rate of one and a half cents an hour, as they put it, and you must make your report accordingly. On that basis is fixed the rate that one must pay. Then, worse than that, if you fail to make that report the printed matter of the society tells you that the fees which you have already paid will revert to the company, and if you continue to use this music without having obtained another licence you are said to be infringing the Copyright Act.

At a previous session I referred to this society as a racket. Well, it has had that designation from many sources. I said that it carried on its business by way of threats. Well, the president of the society took exception to that and threatened a libel suit. I looked up the dictionary and found that the best or rather the most charitable interpretation of the word "racket" was "a system of securing money to which one is not entitled." I think that applies very well to this society when it attempts to collect fees for music of which it is not the owner. I also cited the case of the Eaton Amateur Dramatic Society, which sought to put on the Pirates of Penzance, and obtained a quoted price from the broadcasting station. They were told that they would have to get a quotation from the Canadian Performing Right Society, and they obtained a rate of $61. The broadcasting station thought that was so excessive that they turned the matter over to their solicitor, who found that the Pirates of Penzance was no longer copyright but was in the public domain, and that this society had no right whatever to collect fees on that work. That is just one incident, and I do not think it unreasonable at all to ask this society to supply to those from whom it seeks to collect fees a list of the music for which it demands payment.

Another amendment to this act is in connection with the small users of radio music and, as I say, it is a matter in which every constituency in Canada is interested, since it affects every hotel, every dining room, restaurant, skating rink, store, lodge hall and so on. It was never intended that these people should be penalized by the collection of these fees. The amendment to this act simply says that these small places shall not pay for music which they receive over the radio. The appeal board was given a tariff at the end of November, with a request from this society that the various broadcasting stations pay to it for the year 1938 the sum of $145,000. The appeal board cut that sum down to $83,000, which was a pretty good cut. It just indicates that this society is rather reckless in its charges. But that $83,000 applies only to receiving sets for domestic purposes, in other words receiving sets in homes. Of this $83,000, the Canadian Broadcasting Corporation pays to this society the sum of $32,000. So the men having radios in these little places of business, having paid the government licence fee, feel it is not right that they should be called upon by this society to pay additional fees.

Those are the principal features of this bill, and I hope that hon. members will look upon it not as a party matter but simply as a means of serving their constituents by requiring this society to hand them a list of such music as they claim to control.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, having noticed certain abuses arising from the interpretation of the Copyright Act in matters of radiobroadcasting, I wish to point out to the house some of them which will indicate, I believe, the importance of passing, if not the two proposed amendments, at least the second one, which relates to licences required of owners of receiving sets. It might have been better to change the definition of the word "performance" in paragraph 2 of the act. However, the amendment contained in paragraph two of the present bill will remedy many abuses, and I am glad to support it.

The hon. member for Kootenay West (Mr. Esling) has already explained the methods of the Canadian Performing Right Society, which monopolizes copyrights and uses them not for the benefit of authors but for its own benefit and at the expense of the public. I shall merely point out the case of hotels, restaurants and clubs. In every village there is at least one hotel, restaurant and store which have one or more radio receiving sets used by the inmates or by visitors. The set is in operation the whole day and even the entire evening, broadcasting the news of the day, sports news, hockey games, musical compositions, etc. Should there happen to be broadcast in the course of the day or evening a musical work or a song subject to copyright, the merchant, restaurant keeper or hotelkeeper whose receiving set was operating at that moment and who has not paid a copyright fee or obtained a licence becomes liable to an action in damages or a penalty of as much as $200, even although copyright fees had been paid by the station broadcasting the music or the song. Mark well, the hotelkeeper, merchant or restaurant keeper did not select the song or musical work, which indeed may annoy him; the choice is made by the broadcasting station. More than that, Mr. Chairman. Supposing that in the Royal York hotel in Toronto, for instance, the orchestra should broadcast a musical composition, the hotel has to pay a copyright or licence fee to the company holding the copyright. The station broadcasting the composition or song also has to pay a licence or copyright fee. And the small village hotelkeeper, merchant or restaurant owner who happened to leave his radio open during that time has likewise to pay a licence or copyright fee. Should he not do so he becomes liable to an action for damages or to a penalty of as much as $200.

A similar situation exists in the cities; in fact, I may say that it is even worse. Take the case of the Chateau Laurier in Ottawa. Should a musical work or a song be broadcast from there by a radio station, the hotel would have to pay a licence fee for having performed the composition; the station would have to pay a licence fee for broadcasting it, and the hotel would have to pay a third licence fee for any receiving set situated within its walls. It seems to me, Mr. Chairman, that that is pure exploitation and that it is time to put an end to it.

It is objected in certain quarters that the proposed act would constitute a contravention of the Berne international convention. The Berne international convention was concluded in 1886 and revised in Berlin in 1908. Surely this convention, signed in 1886 and revised in 1908, could have no relation to radiobroadcasting which at that time did not even exist. Broadcasting began in a practical way only in 1921 when the first licences were issued to stations in the United States. It has since developed in the different countries.

In 1927, at the second International Juridical Conference on wireless telegraphy held at Geneva, at which most of the countries of

the civilized world were represented, there was submitted the following proposition: "Copyright fees are payable as well by all proprietors or operators of receiving sets in a public place." This proposition, Mr. Chairman, was rejected by seven votes against three, with three delegations not voting.

One year later, in 1928, at the conference convened in Rome for the purpose of revising the Berne Convention, the opinions were still uncompromising. And those who followed its proceedings declare "that it would not have been possible to attain an agreement if the question of public receiving sets had been discussed." Indeed, the Court of Amsterdam decided in 1929 that "according to the law of 1912, the word performance may be applied only to the fact of performing the work at the broadcasting station where such work will be broadcast."

On the 20th of January, 1930, the Court of Copenhagen delivered a similar decision. On the 19th of October, 1931, the High Court of Germany, although Germany like the other countries already mentioned, was a signatory to the Rome Convention of 1928, decided that:

> The operating of a receiving set does not constitute a new process from the legal point of view, but only a part of a complex broadcasting process which begins with the production of sounds in front of the microphone of the broadcasting station, and ends with the reconstitution of the sounds by an indefinite number of receiving sets. And this complex whole represents a "public performance" or a "commercial reproduction" of the musical work.

If section 11 bis of the Rome convention, by which the word "broadcasting" was added, were to cover the case of receiving sets, the Court of Copenhagen, the Court of Amsterdam, and the High Court of Germany, all of countries signatory to the Berne and Rome conventions, surely could not have rendered such decisions.

So that, according to the interpretation of the conventions of Berne and Rome by the three nations I have just mentioned and who were signatories to those conventions, nothing stands in the way of the proposed legislation exempting radio receiving sets from copyright fees.

The ACTING DEPUTY SPEAKER: It is eleven o'clock.

Mr. RAYMOND: I shall not be very long.

The ACTING DEPUTY SPEAKER: If the hon. gentleman has consent, he might conclude in a moment or two.

Some hon. MEMBERS: Go on.

Mr. RAYMOND: I might add the opinion of a jurist who is a specialist in the matter, Hoffman, who stated at the fourth International Juridical Conference of 1930:

> The person who installs a loud speaker is not giving a performance, he is simply divulging the performance of somebody else.

The same opinion is held in the United States. For instance, in a case decided in the State of California, where the broadcasting station had obtained permission to broadcast the author's protected works, Judge McCormick made the following statement:

> The performance in such cases, takes place in the studio of the broadcasting station, and the operator of the receiving set in effect does nothing more than one would do who opened a window and permitted the strains of music of a passing band to come within the enclosure in which he was located. It is true that it is the voluntary act of the person turning the dial on the receiving set that enables electricity to animate the mechanism so as to make audible within hearing distance of the receiving set that which is disseminated from the broadcasting station, and which is on the air by reason of the broadcast, but such voluntary action, in my opinion, is far from "performing" the copyrighted work. The performance, which is licensed as just stated, occurs entirely in the studio of the broadcasting station, where the copyrighted musical composition is lawfully used, and the action occurring at the receiving set is simultaneous therewith, and is in no sense a reproduction of the musical composition that is being lawfully performed at the broadcasting studio. The action, play, and use of the copyrighted composition has been completed within the studio.

Mr. Speaker, I think it would be unfair to ask a fee for a radio receiving set from people who have no control whatever over programs selected by the broadcasting station. As a result of such a policy, any receiving set owner would have to shut his radio when speeches, addresses, the day's news, market quotations, musical programs are broadcasted lest he might happen to listen to some song coming from a broadcasting station and subject to copyrights held by the Canadian Performing Right Society.

That, I think, would be both arbitrary and abusive. The Canadian Performing Right Society is already collecting a royalty through the licence fee from the performing artist; it is also collecting a second royalty through the licence fee paid by the broadcasting station, and a third one for the same work from the owner of the receiving set. The simple mention of the fact is sufficient to prove the absurdity of such a proposition.

These facts, Mr. Speaker, and also the authorities I have just quoted tend to prove conclusively, to my mind, that the amendment moved by the hon. member for Kootenay-West does not interfere with the Berne convention as amended by the Rome convention; the effect of this amendment, if adopted

by the house, would be to prevent abuses on the part of any company monopolizing copyrights for the benefit of a few exploiters.

On motion of Mr. Turgeon the debate was adjourned.

On motion of Mr. Dunning the house adjourned at 11.05 p.m.

Friday, February 18, 1938

The house met at three o'clock.

BANKING AND COMMERCE

First report of the standing committee on banking and commerce.—Mr. Plaxton (for Mr. Moore).

UNEMPLOYMENT AND AGRICULTURAL ASSISTANCE

FEDERAL GRANT TO NOVA SCOTIA—REPRESENTATIONS OF CITY OF HALIFAX

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Before the orders of the day are called: I am advised that the city of Halifax has passed a strong resolution with respect to the agreement proposed between the dominion and the province of Nova Scotia, pointing out that the city has been very careful in its distribution of relief and has received a relatively small sum of money for that purpose as compared with other cities of Canada. The question is whether or not the government is prepared to reconsider the terms of the agreement between the province of Nova Scotia and the dominion in the light of the effect it would have upon the city of Halifax. If the hon. gentleman does not desire to answer the question now, it can stand as notice and he can answer it on Monday.

Hon. NORMAN McL. ROGERS (Minister of Labour): This matter has been brought to my attention by the hon. members for the city of Halifax; also I have received a telegram direct from the city clerk of Halifax, and am communicating with him by telegram to-day.

RAVENSCRAG, SASK., FARMERS

LACK OF FEED FOR LIVE STOCK—STATEMENT OF PRIME MINISTER

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday the right hon. leader of the opposition (Mr. Bennett) asked a question with respect to the alleged lack of feed for live stock and the need of relief experienced by farmers at Ravenscrag, Saskatchewan. The answer to my right hon. friend's question is that, following the receipt of complaint by the dominion Department of Agriculture from Ravenscrag, Saskatchewan, it has been ascertained that six hundred and twenty tons of fodder have been delivered to the local improvement district in which Ravenscrag is located, and the one adjacent to the north to which deliveries have been made from Ravenscrag. Three carloads have been delivered to date to Ravenscrag in the month of February and one hundred and forty tons are on order for delivery to that point.

Complaint received on February 17 from Ravenscrag by the government of Saskatchewan, by whom the fodder is distributed, was signed by farmers who did not reduce their live stock to the basis on which feed is being supplied, when given an opportunity to do so with assistance from the dominion government.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 17, respecting the appointment of auditors for national railways.

He said: Mr. Speaker, this is a bill passed annually by parliament for the appointment of auditors for parliament of the Canadian National Railways. The bill is in the usual form. The Canadian National-Canadian Pacific Act states that auditors shall be appointed by resolution of parliament, but the passage of this bill has been found to be a practical method and has now been followed for several years.

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

On section 1—Appointment of auditors.

Mr. BENNETT: How is the remuneration for the auditors fixed?

Mr. HOWE: The remuneration is fixed annually by order in council. For several years, I think since the passage of the Canadian National-Canadian Pacific Act, the remuneration has been $50,000 per annum.

Section agreed to.

Bill reported, read the third time and passed.

FARMERS' CREDITORS ARRANGEMENT ACT

BOARDS OF REVIEW, TIME LIMIT FOR FILING PROPOSALS, ETC.

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend The Farmers' Creditors Arrangement Act, 1934, to make provision for the establishment of more than one board of review in any province, to provide that no new proposals shall be filed in a province after a date to be fixed by proclamation, more adequately to define the meaning of the word "creditor" as used in the act, and to extend the benefit of the act in the case of deceased farmers.

Motion agreed to and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. DUNNING: Mr. Chairman, perhaps I had better outline briefly the amendments which are contemplated by the bill which will be based upon this resolution. In doing so, I do not want to anticipate the detailed discussion on the bill itself but to give, so far as I can, general information. A number of members advised me last night that they would be unable to be here to-day but would like to be present when there is any general discussion of the Farmers' Creditors Arrangement Act, and in that regard I would point out that there will be opportunity for general discussion both on the second reading of the bill itself and in committee of the whole on the bill. At this time I shall content myself with a brief outline of the nature of the proposed amendments and the reasons therefor.

The bill will seek to amend the act in five important respects. The first amendment will attempt to define more adequately the word "creditor," so as to include as a creditor of a farmer a person holding a mortgage, hypothec or other charge upon the property of the farmer even though no privity of contract exists between the farmer and such person. The practice of the boards of review in the various provinces in dealing with cases in which there is no privity of contract has varied quite considerably. Recently, however, certain decisions, particularly one by the appeal court of the province of Ontario, have made it necessary to have a clarifying amendment, which will now make it clear that the word "creditor" does include the creditor of a farmer, although no privity of contract exists between that creditor and the farmer, because of the fact that he is a mortgagee of a previous owner of the property.

The second amendment is designed to permit the legal representative of a deceased farmer to apply to the court for an order to continue proceedings under a proposal filed by the farmer before his death or for leave to make a proposal on behalf of the estate of a deceased farmer, and the court would be empowered to grant the necessary application upon being satisfied that a member of the family of the deceased farmer resides, and will continue to reside, upon the farm, and intends and is able to operate the farm.

The third amendment is intended to change the present provision which provides that a stay of proceedings is effective only for ninety days, subject to extension by order of the court. Where a delay in hearing the case occurs the official receiver has to apply to the court within ninety days for an extension of the order, and in some cases many extensions have had to be obtained. The new provision will make the stay of proceedings effective until the proposal is finally disposed of. Any creditor, however, may in the interim apply to the court for an order to proceed should circumstances develop justifying such action.

The fourth amendment proposed will enable the governor in council to appoint more than one board of review in a province. In some provinces the number of cases referred to the board has been so great that the boards have not been able to keep up to date with the work. It is not anticipated that action will be taken in all provinces under this amendment or that action will be taken except under circumstances which indicate that such is absolutely necessary in order to catch up with the work and clear it up.

The fifth amendment will enable the governor in council by proclamation to provide that no proposal shall be filed in any province after a date fixed in such proclamation. This amendment is in order to enable the government to meet the very varied conditions which exist in Canada with respect to the operation of this act.

Strong representations have been made from some of the provinces that the operation of the act is no longer beneficial but rather harmful to farmers in that the conditions which gave rise to its enactment and its operation in the province, have now sufficiently improved that there is no need for it; and representations are also made that the fact that it does continue to operate under such circumstances has an impairing effect upon the credit of farmers. The government desires to be in a position to treat each province according to the circumstances of the farmers in that province. By providing that the act should cease to operate, that no new applications will be accepted after a certain date, the same method is followed as was adopted in bringing the act into force. It is hoped

that the amendment will relieve the government of a great volume of requests from some provinces for the complete repeal of the whole statute, because the government have no doubt that the statute is still a necessary instrument in certain provinces. The intention is to keep it in operation in every province so long as real need for it is demonstrated. But the government is definitely of opinion also that the continuance in operation of this piece of machinery within a province after the need for it has vanished tends to lower the credit of the agricultural industry in that province, which is to say the least an undesirable result.

That, Mr. Chairman, is a brief explanation of the purpose of the amendments which will be covered by the bill to which this resolution is a preliminary. On the second reading of the bill and in committee I shall have available all possible information with respect to the operation of the act. As I stated at the outset, a number of hon. members on both sides who are not here to-day have asked to be given an opportunity to get such information from me, and I can undertake to be in a position, if not to answer all questions, at least to supply such information as I have on every aspect of the matter when we come to the further stage.

Mr. STEWART: Mr. Chairman, the amendments proposed by the minister are twofold. Taking the latter one first, I heartily approve of it on the grounds he has put forward. During the past two years I have had many interviews with farmers who felt that the act was detrimental to them in that they did not come under the act but desired to borrow money and found the act a serious obstacle to their doing so. For that reason they advocated repeal. I had proposed and in fact had drafted a bill to present to this house which differs from what the minister has outlined in only one respect: I was going to suggest July 1, 1938, as a suitable date for the repeal of the act in Ontario. I admit at once that the minister may be in a better position to judge when the repeal in any province should become effective, but I think the date I mentioned is a reasonable one for Ontario. It is to be borne in mind that this act has no application to a debt incurred after the enactment of the legislation in 1934, over three years ago. The act of course is based upon the assumption that the farmer is insolvent; that is the fundamental requirement.

Mr. DUNNING: That his business as a farmer is insolvent. That has an important bearing on some suggestions.

[Mr. Dunning.]

Mr. STEWART: I do not quite get the distinction, but there may be one in the mind of the minister. If a man's business is bankrupt it seems that he is bankrupt himself. However, the act is based upon that assumption; unless that situation exists the act has no application. Bearing in mind that the act came into effect in 1934, surely the farmer to whom it was intended to apply must have found out by this time whether or not he is insolvent in respect of his liabilities prior to 1934. So it seems to me that a reasonable time has elapsed, having in mind the object of the legislation, which was of a temporary nature, designed to keep farmers on the farm rather than have them sold out and everything cleaned up, even the creditors getting very little out of it. Keeping these facts in mind I believe it is the general feeling that we may well terminate this legislation in Ontario. I have had many communications with farmers about it. True, I have had some representations to the contrary, but they are not nearly as numerous or as convincing as those in favour of terminating the operation of the act.

As to the other amendment, the act of course is based on the assumption that there is a relation of debtor and creditor. A farmer who acquires a farm subject to a mortgage to which he is not a party does not occupy the position of a debtor to the party who holds the mortgage. On that ground I think the minister will agree that the relation is not that of debtor and creditor, and the act has been interpreted as having no application to cases of the kind. I can see some difficulty if this amendment is made. Take the case of a farmer who purchased a farm at a high price shortly after the war when prices were high. He paid a substantial amount of his purchase price, perhaps paid it down cash, giving a mortgage for the balance. The relation of debtor and creditor undoubtedly existed between the purchaser and vendor in that case. But another man comes along and acquires this farm on quite a different basis. It may be fair that as between the original parties to the transaction the debt should be cut down, and it may not be at all fair that as between the last purchaser and the original mortgagee it should be cut down. There is a difference there.

As to proceedings instituted by a farmer now deceased, I have had several cases of that kind, and I am glad the minister proposes to limit the amendment to cases in which say a son or heir of the deceased is staying on the farm. That conforms to the spirit of the act. I think the minister will agree it would be quite proper to say the original intention of the act does not apply where an

estate is being wound up and none of the heirs or parties interested are going to stay on the farm.

Reserving the right to make any further comments when the bill comes down and we know its exact language, I think it is along the right lines. But I again press the minister to consider the first day of July, the national birthday, as the time for termination in Ontario.

Mr. DUNNING: I hope I made it clear that the intention is to set a date within a province after which no new applications can be received, but the act will continue to operate in that province pending the disposition of cases concerning which application was received prior to the date set in the proclamation. It is felt that examination should be made before definitely determining the date, but my hon. friend's suggestion is not far from my own view as to what it should be in Ontario.

Mr. STEWART: I quite agree with that. It was my intention to make it clear that the wording of the bill I intended to introduce was exactly along that line, that no new applications should be received after the first of July. Of course all those pending, of which there are a large number, should be cleaned up, which will take possibly a year.

Mr. DUFFUS: Will it be permissible to insert further amendments when the matter is being discussed later in this session in committee?

Mr. DUNNING: It is an amending bill, of course, and when the bill is in committee of the whole house the whole act is before the committee. At that stage it is quite permissible for anyone to suggest an amendment, provided that it does not involve a charge upon the revenues of the crown or create a tax; this cannot be done unless it is preceded by a resolution such as the one now under consideration. But ordinary amendments of course can be proposed during the committee stage of the bill.

Mr. DOUGLAS (Weyburn): Mr. Chairman, I think the government is to be commended for bringing down amendments to the act at this time. The Farmers' Creditors Arrangement Act has operated now fairly successfully for almost four years, but the circumstances that prevailed at the time the act was passed do not still exist. While in some provinces the need for the act may be growing less, in others there is need for an expansion of the scope of the act.

I do not propose to go into the conditions in other provinces, in this regard, because I am not familiar with them, but with reference to the province of Saskatchewan—and I think other members from that province would agree with me—the administration of the act has been received very favourably, and there is a widespread desire on all sides that the scope of the act should be expanded. At the annual meeting of the Canadian Chamber of Agriculture in this city on the 27th day of January, in the course of his speech Mr. J. H. Wesson, the president, outlined four suggested amendments that he thought would be in the interests of agriculture, particularly in Saskatchewan. I do not think it is necessary for me to take the time to read those amendments; no doubt the minister is familiar with them, and, if I may judge from his remarks, they are being included in the bill that is to be brought down. I point that out to show that all sections of opinion in Saskatchewan, including the United Farmers of Canada, Saskatchewan section, the wheat pool, agricultural societies and so on, recognize the service that this act has been to the farmer and are asking for an extension of its scope. I have before me a resolution which was passed unanimously by the legislature of Saskatchewan last year. So rarely does a resolution pass unanimously in the legislature of that province that in itself that fact makes it worthy of note. All parties agreed on the following resolution:

That the legislature of the province of Saskatchewan, while deeply sensible of the great assistance rendered to our people by the provisions of the Farmers' Creditors Arrangement Act in the solution of their financial difficulties occasioned by the present depression, aggravated by unprecedented drought in our most productive areas, are of the opinion that experience of the working of the said act in our province renders desirable amendments thereto whereby it may be provided:

Then it lists them:

(1) That personal representatives of the estates of deceased persons may be permitted to take advantage of the provisions of the said act as fully as such deceased person could do if alive.

(2) That the board of review be given power to rehear and amend proposals formulated prior to the 1st of December, 1936.

(3) That the scope of the said act be widened to permit of real property owners in cities, towns, villages and hamlets making proposals under the act to obtain adjustment of mortgages, agreements for sale, liens and other encumbrances on their real property.

(4) That, where default has been made in performance of the terms of a proposal previously formulated through circumstances not within the control of the debtor, the board of review may prohibit bankruptcy proceedings being taken against him and may make such further or other order as the circumstances of the case warrant.

(5) That the provisions of the act be extended to make it applicable to retail merchants and traders so as to enable them to claim the benefit of the act.

(6) That the province of Saskatchewan be divided for the purposes of administration of the act into a sufficient number of areas with boards of review to expeditiously carry out the work of debt adjustment under the supervision of the present chairman.

(7) That, where lands are subject to a registered mortgage or mortgages and the registered owner of the said lands is a farmer who is not a party to each of the said mortgages, such farmer shall be considered a debtor in respect to all the said mortgages and entitled to the benefit of the provisions of the Farmers' Creditors Arrangement Act, and the board of review may make such order as it deems just and proper, both with respect to the said registered owner and his liability in respect to the said mortgages, and with respect to any mortgagor or mortgagors in the said mortgages and the mortgagor's liability in respect to the said mortgages.

(8) That the provisions of the act be extended to make it apply to cases where an owner of a farm has sold or leased his farm and given possession to the purchaser or tenant, as the case may be.

And, further, that this legislature urges that amendments to the Farmers' Creditors Arrangement Act, embodying the proposed changes, be promulgated at the present session of the federal parliament.

This resolution was adopted unanimously on March 2, 1937. The lawyer members of that house who drew it up must have had their tongues in their cheeks, since even to me—and I am not a lawyer—some of the suggestions it contains would appear to be outside the scope of the Farmers' Creditors Arrangement Act and would come rather within the Bankruptcy Act. Nevertheless it indicates that there is a widespread desire in that province, at least, for the retention of the Farmers' Creditors Arrangement Act and the extension of its activities.

I want to say just a word with reference to the five amendments that have been outlined by the minister. At the present moment I have on the order paper a bill in this connection, and I am very glad that everything contained in that bill, with two or three exceptions, will be found in the government's legislation. The amendment permitting the estate of deceased farmers to come under the protection of this act in my opinion is a move in the right direction. The Farmers' Creditors Arrangement Act was found to be intra vires because of the fact that it dealt with insolvency, which under section 92 of the British North America Act is within the jurisdiction of the federal government. It would therefore seem that the insolvency of the estate of the deceased farmer ought to have the same right to come, and should come, under this act.

[Mr. Douglas.]

Then I think the amendment to subsection 1 of section 11, to extend the stay of proceedings until the proposals shall have been settled, is also a move in the right direction. In Saskatchewan, because of the volume of applications, the boards of review have been running about a year behind, and when application for a stay of proceedings had to be made every ninety days it occasioned considerable unnecessary work. I think the minister is doing the right thing in making this amendment.

The question of privity of contract has become a problem only recently, and has not yet affected us in Saskatchewan, though undoubtedly it will, in view of the decision of the Ontario supreme court in the now famous Gofton v. Shantz case, in which the following decision was given:

A purchaser of mortgaged property who has not covenanted to pay the mortgage debt is not a debtor of the mortgagee and therefore not entitled to an adjustment of the debt under the provisions of the Farmers' Creditors Arrangement Act; there being no relationship of debtor and creditor, secured or otherwise, between such purchaser and the mortgagee, a proposal under the statute made by the purchaser is not binding on the mortgagee and will have no effect upon the final foreclosure order made in the action to foreclose the mortgage.

From what I can gather from the study of statistics given by the minister's department, in returns from questions asked last year, that would affect a great many hundreds of cases which have been settled in the belief that there was a privity of contract and—

Mr. DUNNING: Thousands of them, probably.

Mr. DOUGLAS (Weyburn): Yes, I believe it would run into thousands. I was being conservative by confining it to hundreds. I think an amendment along this line will save a great deal of chaos in regard to that situation.

The suggestion that we have more than one board has been asked for repeatedly by different bodies from Saskatchewan. I notice in an answer to a question I received the other day from the minister that in Saskatchewan 1,116 cases are awaiting the attention of the board of review, and that is the situation at a time when conditions are so bad that people are not bothering about seeking any debt-protecting legislation. Should we have a crop this summer and creditors begin to press their claims, in my opinion the volume of people asking for protection under the act will be doubled or trebled. Certainly there is a need for at least two boards, one to work out of Regina and the other out of Saskatoon.

I come now to the fifth suggestion by the minister—and I am not so directly concerned

with it, because it is inserted in the interest of provinces where the act is not working as suitably. Perhaps I should be more correct if I said that need for the act is not as pressing as it is in the province from which I come. There is only one thing about which I should like to be clear, and undoubtedly the minister will clarify the point when the bill comes up. I should like to know how it will be decided in each province whether or not the people in that province want a cessation of the activities of the board of review. I should like to know whether a vote of the legislature will cause an announcement to be made that no further applications will be received, or whether some other method will be taken. I hope some safeguard will be taken to see to it that in a province, like Saskatchewan for instance, the good work that has been done and that can be done will not be stopped by any premature cessation of the activities of the Farmers' Creditors Arrangement Act administration.

Before I take my seat I should like to suggest one or two things the minister has not outlined, and which he may be willing to consider between now and the time the bill is presented to the committee. I have in mind the interests of the retired farmer. The minister and every other hon. member from the west knows that in every small town and village there are numbers of people who have left their farms and have been living in the small towns. They have expected to live for the rest of their days upon the proceeds from the farms they have leased. They now find that under the definition of the term "farmer" as it appears in paragraph (f) in section 2 of the bill, they are not farmers, because they are not persons engaged "in the tillage of the soil." For that reason they are not in a position to ask for a reduction of their debts, or that a proposal be formulated between them and their creditors. The result is that in many cases they are continuing to pay heavy interest, and to meet debts which are now out of all proportion to the value of their property. I know that in very many cases they are in the serious position of being in danger of losing their properties.

In some cases these people are in a position which is almost worse than that of the actual farmer on the farm. The farmers have the ordinary means of subsistence, but these people have not. Their only source of revenue has gone. During the last few years their farms have produced nothing, and they are now in the position where they are expected to pay taxes and interest on their debts, despite the fact that they have no income and have no way of obtaining a settlement with their creditors, through the act.

I wondered if the minister might consider, between now and second reading of the bill the possibility of accepting an amendment which would extend the definition of the term "farmer" to a person who was the owner of a farm, but who had rented or leased it, and whose main source of revenue was to be derived therefrom. I have in mind the positions of those who appeared before the first board of review that was set up.

Mr. DUNNING: Has the hon. member given any consideration to that other retired farmer, the one who has not his farm leased under the circumstances outlined by the hon. member but has sold the farm subject to mortgage and is in a position of a creditor under the act? Some of the most heart-rending letters I get with respect to the administration of the act are not from debtors. Debtors are being protected by the operation of the act. I am just as sympathetic with the retired farmer who is a creditor and is trying to live honestly on the proceeds of what is owing to him as I am with the debtor retired farmer described by the hon. member. The difficulty with respect to the act is that we tend to look at it from one standpoint only.

I could not refrain from interjecting these observations, because they bear so completely upon what the hon. member was saying. The next door neighbour might be in exactly the opposite position, but there would be no mercy for him; he gets nothing. That is one of the great difficulties of this legislation.

Mr. DOUGLAS (Weyburn): I am glad the minister has brought that up, because I am aware of the problem of the retired farmer who is a creditor. But the reason I am emphasizing the case of the debtor retired farmer is that the creditor retired farmer is not primarily a problem which faces us in Saskatchewan. I believe that is one more common to the east.

Mr. DUNNING: But it is a problem under the act.

Mr. DOUGLAS (Weyburn): Oh, yes; it is a problem under the act. But I am presenting suggested amendments, in view of the problems, particularly of the people on the prairies. The Saskatchewan brief presented before the Rowell commission showed, for instance, that 83·5 per cent of our farm debt was owing outside the province. In the main it is not owing

to creditor farmers, but to mortgage and loan companies. That, I believe, is not so true in Ontario. I realize however that the Minister of Finance must think in terms not only of Saskatchewan but of Ontario and the other provinces, and that in those provinces there are creditor farmers.

I am presenting the case for the debtor farmers in Saskatchewan, who far outnumber the creditor farmers, as the minister knows. Their problem is a serious one, and I am wondering if the minister could not consider it between now and the time the bill is given second reading.

I should like to refer to another amendment which might be made, namely one respecting the rehearing of cases which came before the first board of review in Saskatchewan. I refer to the board which operated prior to December 1, 1935. Last year and this year I have asked the government with respect to the reduction of debts under the previous and present boards. The answers I have received show that under the old board of review the reduction was 27·8 per cent. The reduction by the present board in 1936 was 43·9 per cent, and last year the reduction under the present board was 44·38 per cent, or about a sixteen per cent greater reduction in debts under the present board in Saskatchewan than under the old board. In other words, the man who was unfortunate enough—if I may use that term—to have his case considered by the previous board of review had a much poorer proposal formulated than did the man whose case came before the present board. There is a feeling on the part of those who went before the previous board of review that they got a most unsatisfactory adjustment. Having gone through two bad crops since that time, which have accentuated their difficulties, they are now in a position where they cannot meet the proposal that was made.

There is one other thing to which I should like the minister to give consideration. A proposal is formulated on the basis of the farmer's capacity to pay and the farm's capacity to produce at the particular moment, but that proposal might not be feasible a year or two later. In the intervening period there may be one, two or three crop failures, which means that what may have been a satisfactory adjustment becomes a very unsatisfactory adjustment two or three years later. I know the situation is a difficult one; I realize that if you keep constantly rehearing these cases you will get nowhere. There has to be a fixed point somewhere.

I was wondering if there would be any possibility of placing in the act a provision to the effect that where a new agreement is formulated by the board of review it should contain a clause stating that when a farmer's crop does not exceed a value of $6 per acre—I am suggesting an amount rather than quantity of crop—in that year there shall be no interest charged and he shall not be expected to make a payment on principal. Unless we do that, here is what is going to happen: If we continue to have crop failures in Saskatchewan—we all hope we will not, but it is a possibility—what is a satisfactory adjustment to-day will have to be reconsidered later as the interest continues to pile up and the farmer continues to lack the wherewithal to pay.

It might be interesting to hon. members to look at the figures given last Monday in answer to a question. The total debt against the farms of Saskatchewan is given as $43,243,842.33. There has been a total reduction in principal of $14,533,477.92 and in interest of $966,124.32. The total debt has now been reduced to $27,744,240.09. But that debt is still against property valued at $25,866,768. In other words, in spite of the reduction, which is the best we have had, the debt still stands at 108 per cent of the total value of property. When we consider in addition the payment of interest for one or two years we must realize that the adjusting of these debts will have to be done all over again. I am cognizant of the fact that it is a big problem and that the Minister of Finance has to think in terms not only of the prairies but of all the Dominion of Canada. However, in view of the fact that it is now suggested that this act may be operative in certain provinces and inoperative in others, I was wondering if it would not be possible to insert a clause to the effect that the agreement shall stipulate that where a farmer does not have a crop valued in excess of $6 per acre, in that year there shall be no accumulation of interest and no principal paid.

Miss MACPHAIL: For once I agree wholeheartedly with what has been said by the Minister of Finance (Mr. Dunning). The Farmers' Creditors Arrangement Act was presented to the house some years ago as offering the best method available at the moment of dealing with the accumulated debts of our farmers. I voted for that act because I believed it was the best we could do at the time. I believe the act has operated for the good of all concerned as applied to farmers who bought land at high prices in 1928 and 1929, or perhaps before that during the war, and had not been able to get started before a depression came. Some of these men have gone through two depressions. The people who owned this land really got more than it was worth, based on its producing capacity.

But there is another side to the story. I have heard of some very pitiful cases in Ontario of farmers who had sold their land and gone to live in a village or town, having just barely enough to keep them going. The Farmers' Creditors Arrangement Act was passed and these people found that their interest was reduced, or in some cases stopped altogether. These interest payments were all that they had to live on. The person buying the farm, even at too high a price, may be in debt, but at least he has the land to till and is able to grow some potatoes and get some meat and vegetables which the man who sold the farm cannot get.

Although I have not the full details before me at the moment of the many cases with which I am familiar, I do know of one man living in my own village of Flesherton who is blind and who has had the most slashing reductions made in his interest payments for the last two years. I cannot defend a thing like that; from the human point of view it is indefensible. The man on the land at least has a chance of getting some milk and cream and meat and vegetables, but the man who formerly owned the property has not this opportunity. This particular case may touch our hearts more because of the affliction of the creditor, but there are many others just as deserving. I know of women living in the villages throughout Ontario who are worrying themselves to death because the small incomes which they had have been halved or at least very much reduced.

There is another aspect of this problem in Ontario. Any one who has money to-day is afraid to lend it to a farmer. Therefore, our young skilled farmers, the very people we want to keep on the land and really the only people worth keeping on the land from a production point of view, cannot get loans to enable them to buy farms.

Mr. DUNNING: That is the most serious consequence.

Miss MACPHAIL: They try to manage, or their fathers may try to help them, but anyone who knows anything of farming to-day knows that it is impossible for a man to make enough off the land to extend his holdings to any great extent. Some of these men have a great deal of ability and energy, but they are finally forced off the farms into the cities or towns. They may not be actually unemployed, they seldom are, but if they are working they are displacing someone else. I can name scores of such cases, as can every member of this house.

Somewhere in the line someone is displaced from a job and goes on relief. Then in a city like Toronto or Winnipeg, or maybe in Ottawa, some person thinks up a scheme of putting that fellow, who knows nothing about farming and never will, back on the land. He never gets a chance as he is not taken and put on land in Ontario and Quebec in a neighbourhood where there are schools or churches or neighbours, but put up in a part of the country where a goat could not live; yet he is expected to make a living there. We pay any amount of money to take him off relief schemes in the cities; we put him up in the north, and then after a while we pay more money to bring him back to the city, when what we ought to be doing—and I feel that this does come under the Farmers' Creditors Arrangement Act—is to provide loans at reasonable rates of interest, amortized over a long period, to young skilled farmers. Possibly the greatest injury that the Farmers' Creditors Arrangement Act has done—and I as one individual acknowledge some responsibility for it—is to make it impossible for the farmer who has capabilities to get a loan to enable him to start farming.

Mr. STEWART: Drying up credit.

Miss MACPHAIL: It is certainly drying up all kinds of credit: not only mortgage loans, but when many farmers to-day want to get a line of credit at the store, or wish to buy some farm implement, or maybe a cheap car, they have the greatest difficulty in obtaining it, because the merchants who are selling to them have sore memories of fifty per cent reductions in what they were owed by other farmers who had recourse to the Farmers' Creditors Arrangement Act. I believe that the best type of farmer—and again I am speaking only for Ontario—has made a great effort, although deeply in debt, to keep away from the Farmers' Creditors Arrangement Act. Many of them have not been able to do so, but the best have tried very hard; for they fear the thing we all fear, the scorn of the neighbours. After all, what we all want most is to be respected by those with whom we associate. So that some who deserve help most have never come under the Farmers' Creditors Arrangement Act, because they dread the stigma of it, while some who have come under it—I speak from personal experience—are hopeless from any point of view; you might save them now but you would have to do it again in five or ten years or at some time.

This does not apply to Saskatchewan—the two cases are so different. In one province the mortgages are held outside, there have been crop failures, but almost all loans in my part of Ontario are held locally and the hurt is felt locally. Had we thought when

we passed this measure of some way of lending money to the debtor so that he could pay part of what he owed, I think that would have helped.

Mr. DUNNING: A great deal of that has been done, of course, under the farm loan act.

Miss MACPHAIL: Well, not in Ontario.

Mr. DUNNING: It could not be made automatic.

Miss MACPHAIL: In Ontario we are having great difficulty in getting loans for farmers. The Ontario government had an unhappy experience and is now—I suppose "liquidating" is the right word. The dominion government has a loan board, but they do not make loans.

Mr. DUNNING: Oh, yes.

Miss MACPHAIL: Well, it must be to very special people.

Mr. DUNNING: No, no.

Miss MACPHAIL: It is very difficult to get a farm loan.

Mr. STEWART: The ones who need them most cannot get them.

Mr. DUNNING: No.

Miss MACPHAIL: Anyway I cannot get loans made; there is something wrong with my politics, or something.

Mr. DUNNING: No, there is no politics about it.

Miss MACPHAIL: There may not be, but you cannot get loans. You might get one out of a hundred applications, but what are you going to do about the other ninety-nine?

Mr. DUNNING: I will give information at another time when it is in order to do so with regard to the farm loan board and loans in the province of Ontario.

Miss MACPHAIL: No "information" will settle the cases I have in mind. We have made applications and have not got loans.

The other thing that the Farmers' Creditors Arrangement Act has done is to lower land values. Farm values have fallen through that and the liquidating of loans by the Ontario government, because undoubtedly they are glad to get rid of the land and are selling it at very low prices, and in cases where farmers have to retire through ill health or other compelling circumstances they must get rid of their farms. I find in my own immediate neighbourhood that a good many farmers have gotten old age pensions and turned their property over to the government as a last resort. They had to do something and that was the thing they finally did; they signed their property over to the provincial government and took twenty dollars a month. In many cases—I can think of three at the moment—the man being the older got the old age pension, but he has since died, and I do not know what is going to result from a condition of that kind, where the woman on the farm cannot get a pension and does not own the farm. All of this is indirectly linked with the lowering of farm values through our very peculiar handling of the matter. I urge in the wrong place, and will in the right one when I get another opportunity, that instead of a "back to the land" we evolve a "stay on the land" policy so that young men will be encouraged to remain on the farms when they want to stay, as many of them do, rather than shove them off and spend great sums of money to get unsuitable people on unsuitable farms.

Mr. BOTHWELL: I have just one short suggestion to make to the minister, in connection with amendments to this act. It is contended that section 142, subsection 2, along with section 143, subsection (j) must be interpreted in such a way that a farmer who once has had a proposal approved is not able to make an assignment under the Bankruptcy Act. The contention is made in that regard that, in all these cases where a farmer has not been able to live up to the proposal—and in many cases that is so, particularly in the drought area of the west—he is refused a discharge under the provisions of bankruptcy proceedings because he has committed an offence under the Bankruptcy Act. The courts have no jurisdiction to grant a discharge, whatever may be the cause, if the farmer has ever made a proposal for a composition which has been acted on. I merely wish to direct these particular sections to the minister's attention so that when the bill is before the house he may have had an opportunity to consider the contention that is made.

Mr. TUCKER: I gathered from an interjection which the Minister of Finance made when the hon. member for Weyburn was speaking that he was under the impression that the board of review had adjusted debts in some cases—I understood him to say, in thousands of cases—where there was no privity of contract. The boards of review in Saskatchewan have never undertaken to adjust debts in those cases; for example, where somebody bought a piece of land subject to a mortgage to which he was not a party and later applied for the adjustment of that debt the boards of review in Saskatchewan—both the old board

and the new one—have refused to interfere because, they said, there was no privity of contract. I suggest that the minister give consideration to a provision making available the benefit of this amendment to the act to those who in the past have appeared before those boards and received no consideration. I know of several cases where, because of the fact that the only debt was the debt owing on the farm and the person who was on the farm had not made the original mortgage and was not a party to it, the board refused to formulate any proposal. Under the law as it stands a man cannot, as I understand, make a second application, so that those people who have in this regard been refused any help under the act will not get any unless there is provision for the making of a second application.

There are other cases where the board would have made a proposal dealing with the debts where there was privity of contract, but the main debt was of this nature and so they said they could not make an effective proposal at all. Now we are making this change, I submit everybody should be permitted to have the benefit of it. That is just as important, I think, as giving the right to people whose cases were dealt with in the past by the first board of review to have their proposals reviewed, which I think should also be done. For example, when an order is made by the present board of review, there is a crop failure clause under which, upon the production of a certificate from the sheriff of the district that there has been a crop failure in the area where the farmer's land lies, all payments are postponed automatically for one year. That may not be the exact wording of the clause, but that is, I believe, its effect.

Again, there are cases where there has been a great change in the farmer's circumstances from the time the first order was made. I do not suggest that there should be provision for a second application as of right, but I do suggest that there should be some machinery whereby, if just cause can be shown, an order can be made by some competent judicial official that the applicant may apply for further consideration of his case, by the board of review, so that he may get the benefit of these amendments and also in proper cases a review of a proposal made by the first board of review.

Before I sit down I should like very much to congratulate the minister and the government upon bringing down these amendments, and particularly the one providing for discontinuance of the provisions of this act in certain provinces. Since the beginning of this parliament I had heard a great amount of dissatisfaction expressed from other provinces in regard to this act and I was afraid that so much pressure would be brought to bear that the government might consider repealing the whole act. I think everyone from Saskatchewan will agree with me that the act has been and still is fulfilling a need in that province that simply had to be and still has to be met, and so I think everybody is satisfied that the act should continue to be in force in Saskatchewan for some time to come. I believe even the creditors are satisfied with the administration of the act in Saskatchewan because the apparent large reduction of debt is a reduction more or less only in form. The board of review has cut the debts down only to the amount that they figured the farmer was able to pay, and they certainly have left it at that amount. Every fair-minded creditor, after he has come out from a hearing by the board of review, realizes that the board has left him all that he could hope to collect anyway. The fair-minded creditor realizes that there has been a fair writing down of the debts of the farmer to an amount that he can handle, and that there has been no real hardship to anybody. So I say that there has been a great deal of satisfaction, especially in connection with the administration of the act in Saskatchewan under the present board of review, and when the time comes to appoint further boards, as I suppose will be done in order to cope with the work, I hope the new board will be at any rate under the general supervision of the present chairman of the present board of review.

Mr. McDONALD (Souris): Mr. Chairman, possibly I am looking through the glasses of a retail distributor when I make some criticism of the administration of the Farmers' Creditors Arrangement Act in the province of Manitoba. I have always thought the act was very unfair. I have regarded it as cheap legislation, although I have always felt that the good farmers of this country have every right to protection at a time when they find it very difficult, from causes for which they are not to blame, to pay their debts. I call it cheap legislation for this reason, that if the government wants to do something for the farmer, why not do it at the expense of the country as a whole? Why put the entire load on the unsecured creditor, and particularly on the retail merchants? The farmers of this country were entitled to protection; there is no doubt about that, and I agree with what the hon. member for Grey-Bruce (Miss Macphail) said in her discussion of the act. But this is no time to make valuations of a farmer's assets upon which to base the debt which it is calculated he will have to

pay in the future. Land has no value to-day compared with what it had in the days when the debt was incurred. In 1929, when the depression set in, nobody knew how long it was going to last. Many farmers found that they needed credit, and they could not get it from the banks or the loan companies. Right here I want to make this statement, that I believe the banks and the loan companies have forfeited every right they ever had to do business in this country at any time, now or in the future.

Mr. DONNELLY: Close them all out.

Mr. McDONALD (Souris): Certainly. Why did they lose faith in this country? I venture to say that when times are good again and land values high, they will want to be doing business again. I have been in the loan business for a long time, and I have known these loan companies to refuse to accept payment of loans without a three months' bonus, but they would gladly do it to-day. They missed their chance, and because they missed their chance, has the government the right to say that they shall get their money, or that the unsecured creditors of this country are the men who will take the loss?

I know as many farmers who are suffering from the injustice of this act as I do retail merchants, and I should like to cite a case or two.

A man sold his farm—at a high price, I admit. The farmer had been farming for many years, but he sold the farm and moved into town. A number of years went by, from 1929 to 1933, but he got no revenue from his farm. He was lucky to have a bank account to support him. After some years he wanted the farm back, and in the meantime the man who had bought it had never paid a dollar of principal on the mortgage on the farm. All the farmer wanted to do was to get his farm back, but he could not do so.

Another man sold his farm for $10,000 cash, and immediately bought another from his neighbour at half the price, paying no cash but taking over a mortgage of $5,000. He then proceeded to gamble away every cent of the $10,000. Five years went by and the mortgagee never got a cent from that farm. Finally it was to be sold for taxes. The original owner at a hearing of a board of review offered the man $2,000 to get off the farm, but the board would not agree to it.

What time is this to make valuations and say that a man's debts shall be adjusted according to the value of his land and other assets? I say it is not the proper time.

I can cite another case where the board made an adjustment by which the debtor was not to pay one single cent during 1937 except the share of crop to the landlord, and for seed from the municipality. Unsecured creditors were not to get any money until 1938. This man sold three carloads of grain and bought practically a new car for which he paid about $600 in cash. The unsecured creditors got nothing, and their accounts were reduced ninety per cent in some cases.

Many an honest farmer has loaned a farmer across the road $500 or more and given him seed wheat, and now he finds that these debts have been cancelled. The banks and the loan companies, as soon as they saw a depression was on, took chattel mortgages and every other form of security it was possible to get from the farmer. No wonder the young farmers are finding it difficult to-day to get credit. In view of the way this act has been administered, I can see no reason why anybody should extend credit.

Again I say that the loan companies and the banks, in our province at least, have lost the right, if they ever had any, to do business, and I hope they will not get the opportunity again. I say this as representing a farming constituency. I have every sympathy with the man who wants to pay his debts. There should have been a debt adjustment; there is no doubt about that, but like the hon. member for Grey-Bruce, I say the best men, the honest ones, are not the ones who are taking advantage of the act. I think the act will have to be continued, but let us have some justice in its administration. Why should the retail merchants and the unsecured creditors be the ones to help keep the farmer on the land? Let the whole nation do it; because when prosperity returns to the farmer the whole nation will benefit. The unsecured creditors will have to take a loss, and it will just be a memory. I figure that the act was a vote-catcher right from the start, and was not properly administered. I am sorry some criticism is due the government, as this is the third session of this parliament and it is the first time the act has been amended. I hope it will be made more workable, particularly in Manitoba.

Mr. HYNDMAN: As I represent an agricultural constituency, and also the home of the Minister of Finance (Mr. Dunning)—

Mr. DUNNING: Yes, you are my member!

Mr. HYNDMAN: I should like to say a few words on this act. I agree wholeheartedly

with the hon. member for Grey-Bruce (Miss Macphail). I agree wholeheartedly with the last speaker (Mr. McDonald, Souris). If ever there was an act passed by any government to destroy the credit of the farmer, the Farmers' Creditors Arrangement Act was that one. If I had been in the house when this act was passed I would have voted for it. I do not advocate its cancellation, but one thing I do advocate is a change in the administration of it, because very unfair judgments have been rendered in certain cases. I will quote one example. A farmer in Carleton county had a large mortgage on his farm. He had to borrow $500 from an old couple in the village who had retired. He borrowed another $300 on a note from another farmer who could ill afford to lend him the money but who did so to enable him to pay a hospital bill. Then this farmer applied for an adjustment of his debts. It came up before the judge, and what did the judge do?—He reduced the mortgage by half,—with which I agree—but he cancelled the $500 note and the $300 note. I claim that was an injustice; it should never have been done. It is the administration of the act which is at fault. When this act was passed it is true the farmers were in hard straits. I agreed with it at that time.

The hon. member who spoke last said this act was passed to get votes. If my memory is correct practically all the members in the house at that time supported the act. But when it is said that it was an act passed to secure votes, I am afraid that during this past year it was used to secure votes. A farmer, the president of the Liberal association in Carleton county, applied for an adjustment of his debts under this act, and he got a most favourable adjustment. Then what did we find this farmer doing? Going out to every farmer in the county of Carleton and saying: "If you vote for Mr. Hepburn I will see that you get the same adjustment as I got." Now, that is politics.

Miss MACPHAIL: I think that was boasting.

Mr. McCANN: How did it work?

Mr. HYNDMAN: It did not work out in Carleton county.

Mr. DUNNING: If my hon. friend will permit me, I am sure he does not want a wrong impression to go abroad by way of reflection on the board of review for Ontario. I may advise him that Mr. Justice Hope has been chairman of the board of review for Ontario; there has been no change at all, and I am quite sure my hon. friend would not desire to have the impression go abroad that he thinks the board of review for Ontario, headed by Mr. Justice Hope, would be affected by political considerations in making any award. I say that in all seriousness because I do not believe my hon. friend intends that, but that is the impression his words would convey.

Mr. HYNDMAN: It was the judgment of Hon. Mr. Justice Hope that I was referring to a moment ago in connection with the cancellation of those notes.

Mr. DUNNING: Well, that is different from a political criticism.

Mr. HYNDMAN: I venture to say that if any farmer who desired a favourable adjustment of his debts approached any justice in Canada he would certainly not get anywhere with him; it would not have any influence on his decision.

Mr. DUNNING: No charge of political interference has ever come to my attention with respect to the adjudication of any board of review. I am bound to say that in fairness to all of them.

Mr. HYNDMAN: I agree with that, but the last speaker said this act was passed to secure votes, and I am saying that the president of the Liberal association of Carleton county told farmers that if they voted for Mr. Hepburn he would help them to get a favourable adjustment of their debts. Therefore I think there is as much politics with the present government, if there is any at the present time, as when the act was passed. And I know there is none.

I would like to see a change in the administration of this act. I would not like to see the act cancelled, but I am afraid that if it continues in force and we get decisions of the kind that have been given in some cases in the past we are going to ruin the credit of the farmers. I say in all sincerity that any farmer in the county of Carleton who has had an adjustment of his debts has destroyed his credit in any store or bank or anywhere else in the country. I have had experience with it through adjustments under this act and I have never said a word. I have had my own debts cancelled—

Mr. DUNNING: Oh no, no.

Mr. HYNDMAN: I have had accounts owing to me by farmers cancelled up to the extent of thousands of dollars.

Mr. DUNNING: That is better.

Mr. HYNDMAN: I have never complained of that.

Miss MACPHAIL: You have an indemnity.

Mr. HYNDMAN: Well, possibly that is the reason. I feel that if the government want to do something for the farmers of Canada—I have suggested this before, and the time is coming when they are going to have to do it—let them cancel all farm loan mortgages held by the government; cancel every one of them.

Mr. McCANN: Santa Claus.

Mr. HYNDMAN: No Santa Claus about it. The amount of money that was spent in the last by-election in Quebec, down in St. Henry, would cancel all the farm loan mortgages in that province, and that was just to fill up a hole down there. That is the only criticism I have to offer about the administration of the act; I maintain that it is destroying the credit of the farmers.

Mr. DOUGLAS (Weyburn): I should like to ask the minister a question. In view of the statements made by the hon. member for Rosthern, where an application was rejected by the board of review because the person did not qualify under the act as it now stands, and where amendments may be made to the act under which that person would qualify, would he then become eligible or would he not?

Mr. DUNNING: I would have answered the hon. member for Rosthern on that point if I could have done so. As, however, I indicated at the outset of my remarks to-day, I came prepared to give a certain amount of information on the act generally, but I rather expected, in deference to the wishes of a number of members who are not here, the kind of discussion that has occurred to-day to take place either on the second reading or in committee of the whole on the bill itself. Therefore I have not sufficient knowledge as to what the legal consequences of an amendment such as is now contemplated would be with respect to those who could not qualify prior to it. However, I shall give consideration to all the points which have been raised in this discussion and be ready, I hope, not to deal with everything which may be put forward but to give such information as is possible on the second reading or, more particularly, and perhaps more suitably, in committee of the whole on the bill itself.

I am more than gratified in connection with this thorny subject to find the very pleasant welcome which my efforts to deal at least partly with the situation have received at the hands of the committee. I expected quite a difficult time; I still expect it. I do not remember, in the course of a rather long administrative career, having had a more difficult piece of legislation to apply to the widely varied conditions of Canada than this Farmers' Creditors Arrangement Act. Every member has spoken out of his knowledge of the circumstances affecting the people with whom he is individually familiar in his own district or his own province, and I am quite sure that every member in so speaking has done so with all sincerity and in all good faith. But to attempt to create a machine which will deal with all those varied conditions, or to attempt, as some members would, to set up conditions so that a board of review would have to do this in such and such a case or would have to do that in the other case, would be a very great task. You run immediately into the fact that conditions elsewhere demand different standards, and therefore you must have discretion on the part of your judicial body. The moment you commence to build regulatory fences around your judicial body, that in these circumstances you must do this and under those circumstances you must do the other, you run up against the tremendous variety of conditions existing from one end of this country to the other, and you cannot set up regulation which would be nationwide in its efficiency and scope.

All that you can do, Mr. Chairman, beyond what is now contained in the act, is to see first that there is a judge of the high court, which is one of the best guarantees of impartially from every point of view. When I say that, it does not mean that judges are perfect, but it is the best we can do, and then we must see to it that we associate with them men of high character in the capacity of debtors' representatives on the one hand and creditors' representatives on the other. From my experience, the more you surround that body with regulations the more difficult you make it for them to work out a solution for the individual farmer under the widely differing circumstances of agriculture from the rocky coast of Nova Scotia to Vancouver Island in the west.

Broadly, I am very well pleased with the reception that has been given the honest proposals, and of course I shall have to consider, when the bill reaches the committee, such other concrete suggestions as may be made for further amendments. The discussion this afternoon probably will give me an opportunity to present more information when the committee stage is reached. Possibly hon. members might now allow the resolution to pass and the bill to be introduced, so that they might study the matter we are talking about, thus making it a little easier to discuss it at the next stage.

Mr. DONNELLY: There is just one suggestion I want to make to the minister before we pass this resolution. I fully appreciate the position of the hon. member for Souris when he says that in his district the unsecured creditor receives no consideration whatever and that the secured creditor is the only one who receives consideration before the board of review. We have had two boards of review in Saskatchewan. Under one of these boards our situation was much the same as that mentioned by the hon. member for Souris. The secured creditor received every consideration; the unsecured creditor received none. At the present time we have a board of review that gives consideration not only to the secured creditor but to the unsecured creditor, and we find that the board is working very, very much more satisfactorily than it did before.

I am afraid, when the minister says he is going to set up two boards of review, that we may have one board giving one kind of decision and the other board giving the other kind of decision, and there will be no uniformity at all. I would ask the minister to consider the advisability, instead of setting up two boards of review, of making the present board very much larger, with six, seven or eight members, so that it may be divided up, with three men going to one place and three to another. The chief justice, or the man who is in charge, could look over all the decisions so that we would have some uniformity in the decisions given in each province, or at least in that of Saskatchewan.

Mr. DUNNING: With regard to the question raised by the hon. member I have before me, of course in great detail, the percentage reductions made by the boards of review in each province with respect to both secured and unsecured creditors. I know the hon. member for Wood Mountain will forgive me when I say that the figures do not quite bear out the full extent of his statements with regard to the relationship of the boards of review in Saskatchewan to the secured and unsecured creditors respectively. That is to say, there is an element of truth in what he says, but he has stated it rather more extremely than the figures would appear to justify.

With regard to the suggestion of the hon. member as to one board of review being divided into two, I must confess that I have given a great deal of consideration to that possibility. It would be quite beyond the physical capacity of one chairman to do what the hon. member suggests, virtually to act as chairman of two boards of review. I am assured by a number of chairmen of boards that the work is very taxing indeed. I appreciate the problem of getting uniformity of method as between boards. In the last two years, however, we have made considerable progress towards getting uniformity of methods as between the board of one province and the board of the neighbouring province, and surely, having succeeded thus far, we shall be able to get a reasonable degree of uniformity as between two boards in the same province when we appoint them. However, we shall discuss that point again.

I should like to come back to the remarks of the hon. member for Grey-Bruce. I have had time to ask a question as to just what the farm loan board did in Ontario in 1937, and I find that 515 individual farm loans were disbursed in that year to an amount of $1,033,000. That is not many, but it is 515.

Miss MACPHAIL: In my constituency alone 515 need loans.

Mr. STEWART: How many applications were made, as a result of which 515 loans were advanced?

Mr. DUNNING: I sent out hurriedly to get the information over the telephone.

Mr. McNIVEN (Regina): Mr. Chairman, I have no desire to prolong the discussion, but may I say that generally speaking the board, operating under the Farmers' Creditors Arrangement Act, has performed a distinct and definite service to the farmers in Saskatchewan. I would approve of extending the number so that there would be two boards of review; even the suggestion of the hon. member for Wood Mountain might be worthy of consideration. I believe that would facilitate the hearing of cases now awaiting consideration.

The chairman of the board of review has laid out plans, principles and policies to which he has adhered during the term of his appointment, and he hears about five cases per day. On that basis it will take several years for him to dispose of the cases already before him. We approve, too, the suggestion that the term "creditors" should be amplified and defined and, likewise, that the benefits of the act be extended to cases of deceased persons.

We would like to have it made definitely certain that those who have had hearings before the board in 1934 or 1935 and who, for one reason or another, have not been able to live up to the terms of the orders made, should still have an opportunity of again appearing before the board.

However, I had something else in mind when I rose to speak. Residents of towns, cities and villages in Saskatchewan are dependent upon the prosperity of rural Saskatchewan. In

fact, their livelihood depends upon the rural area. Where, as has been the experience of Saskatchewan, a great part of the province is adversely affected by drought, and where thousands of farmers find themselves unable to pay, residents in the cities, towns and villages have been the losers. This situation was recognized in Saskatchewan by a resolution passed by the Saskatchewan Legislative Assembly in 1937. The matter was made the subject of a petition in Regina. Some 13,000 individuals attached their signatures to the petition, and many others in urban centres have expressed themselves as being in accord with the suggestion that the principles of the Farmers' Creditors Arrangement Act be extended to residents of cities, towns and villages.

There are many workmen, clerks and professional men of one kind or another who prior to 1930 invested in homes, but who to-day find themselves in such a position that they may lose those homes. The act does not apply to those thousands of people. It may well be said that in their cases voluntary adjustments would be the remedy or, in the alternative, that there should be bankruptcy. It is true that the provisions of the Bankruptcy Act are open to those individuals, but no trust company or trustee in bankruptcy will accept an estate which consists of a piece of property covered by a mortgage and subject to taxes.

In many urban centres taxing authorities have large claims against such properties, and many individuals know that they can hope for nothing in the future. They are about to lose their homes, either through the action of vendors under agreements for sale, or through the city taxing authorities, or through the mortgagee under the mortgage. This is a very real fear in the hearts and minds of many thousands of honest citizens who would pay if they possibly could, but who, under present circumstances and conditions, are losing heart. They find that the rate of interest continues at the rate which prevailed prior to 1928. I had an instance brought to my attention a few days ago with respect to a house purchased in 1928 for $7,500. Already $7,600 had been paid on it; the balance still owing on the property was $3,500, and the kind-hearted vendor under the agreement for sale offered to reduce the rate of interest from eight to six per cent. He was willing to do that only within the last few months. That experience could be multiplied in hundreds of instances.

I would ask the minister seriously to consider the absolute necessity, in so far as thousands of people are concerned—and I shall speak only for Saskatchewan—of extending the principle of the Farmers' Creditors Arrangement Act to those men and women, in order that they may be assisted in saving their homes.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 25, to amend the Farmers' Creditors Arrangement Act, 1934.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Pensions Branch—Canadian pension commission—administration expenses, $534,330.

Mr. MacNEIL: Does the reduction in the estimate indicate any reduction in services to pensioners?

Hon. C. G. POWER (Minister of Pensions and National Health): No.

Mr. MacNEIL: What is the medical staff at the Shaughnessy hospital at Vancouver under the jurisdiction of the pension commission? Could we have their salaries and whether they are on full or part time? I should like to know also the names of consultants under the jurisdiction of the pension commission.

Mr. POWER: I shall give only those attached to the pension commission and not those attached to treatment or administration. They are:

Dr. J. W. Laing, medical officer, grade 4, $4,080.
Dr. B. F. Keillor, medical officer, grade 4, $4,120.

There was a Doctor G. A. Minorgan attached to that staff, but he has since been transferred so I shall not include him. The next is:

W. R. Congdon, pension clerk, $1,920.
J. Valentine, investigator, grade 2, $1,560.
T. J. McKenty, investigator, grade 1, $1,500.
M. Wallace, clerk, grade 3, $1,620.
W. Bloom, clerk, grade 2, $1,440.
Miss A. E. MacDonald, stenographer, grade 2, $1,380.
Miss G. M. Baxter, stenographer, grade 2, $1,380.
Miss E. G. Heney, stenographer, grade 2, $1,380.
Miss B. M. McCarthy, stenographer, grade 2, $1,320.

Mr. MacNEIL: Does the pension commission employ consultants at that point?

Mr. POWER: Occasionally we employ the services of consultants.

Mr. MacNEIL: Who is definitely in charge of pensions administrations?

Mr. POWER: Doctor Keillor.

Mr. MacNEIL: Would it be possible as a matter of administration to ensure that the medical pension authorities shall have the unrestricted right to secure the authorization of medical treatment when a pensioner requires it? As I understand it, the procedure now is that with a man on pension and requiring treatment, either for the disability for which he is pensioned or for a disability which has a bearing on his general health, the pension medical authority has no right to authorize treatment, it being necessary to refer the matter to the treatment branch of the department, and the man may or may not get treatment. I submit it would be a distinct advantage and probably remove any possible conflict between the two authorities if the medical men of the commission could of their own right indicate that a pensioner must have treatment. This is applicable especially to the neurological cases. The situation is far from being a happy one as a great deal of dissatisfaction exists with regard to treatment of neurological cases. Subsection 2 of section 28 of the act reads:

> When in the opinion of a medical neurological expert an applicant for pension or a pensioner has a disability which is purely functional or hysterical no pension shall be paid, but such member of the forces shall immediately be referred to a neurological centre for treatment.

I am advised that in a number of cases the treatment branch has refused to give the medical attention advocated by the pension medical authority. It may be a case where the pensioner comes under class 2 and would not receive pay and allowances, receiving simply comforts while an inmate of an institution. I should like the minister to do whatever is possible to clear up this point. The same thing might be said about dental treatment.

Mr. POWER: If a man is on class 2 treatment, as my hon. friend knows, he would continue to receive his pension and his family would receive relief if necessary. I understand the first part of my hon. friend's question was directed to whether or not the pension medical authorities had the right to order treatment. They have the right to order treatment for observation and they do so. In so far as I am aware, there has been no conflict between the two branches. My hon. friend quoted the section of the act which confers certain power on the pensions authorities with respect to neurological patients. I believe the terms of that section are carried out. I understand my hon. friend's complaint is that they do not receive pensions, not that they do not receive treatment.

Mr. MacNEIL: My information is that they do not always receive treatment; that that matter lies entirely in the discretion of the treatment branch. I am told that the medical officers of the department are not always in accord with the judgment of the pensions medical authorities and that sometimes treatment is not secured as indicated.

Mr. POWER: As far as I am aware, if treatment is required they get it. I do not know of any conflict such as my hon. friend mentions, although there may be some. He has stated that pensions were not allowed to certain neurological cases. He was a member of the committee of 1936 which requested that a board be set up to inquire into these cases and into the treatment of neurasthenic cases generally. That board was set up and, as my hon. friend knows, some kind of report was made. The report was tabled last year; I do not have it with me at the moment, but I can very easily get it.

Mr. MacNEIL: My point is that if the pensions medical authorities in their judgment considered treatment to be necessary and so recommended, that authority should be final without any question by the treatment branch. The pensioner should be taken into an institution and given all necessary treatment, quite apart from observation. I feel that if the minister and the officers of the department investigate this matter they will find that there have been instances where treatment has not been extended to a pensioner even though the pensions medical authorities considered it advisable.

Then I referred to dental treatment. As an example, an arrested tuberculosis case might be returned to his home, possibly some distance from the institution. The pensions authorities might say that this man should have dental treatment for the maintenance of his health, so that he might secure proper nutrition to avoid relapse. When that recommendation reaches the treatment branch they may say that dental treatment can be extended only in a departmental institution. I have before me a copy of the regulations governing this matter. The man may live a long way from the institution and he is thus automatically barred from treatment. As he is a class 2 patient the department assumes no responsibility for the expenses of the journey to and from an institution. If a man resided at Powell River in British Colum-

bia, it might be more expensive for him to undertake a trip to the institution than to have the dental treatment done at home. I submit that the pensions authority is responsible for his health; it is in the public interest to see that his health is cared for as well as possible, and if they say that this man, in the interest of his health, requires dental treatment, there should be no option; the treatment branch should take the man in and give him dental treatment and provide for transportation expenses.

Mr. POWER: As far as I know that is done at the present time.

Mr. GREEN: Will the minister give the committee the number of applications that have been made for pensions during the calendar years 1936 and 1937?

Mr. POWER: That would be, of applications to the pension commission and not to the quorum?

Mr. GREEN: If the minister does not have it for the calendar years, perhaps he could give it to us for the fiscal years.

Mr. POWER: I would not have it for this fiscal year, but I have it for the fiscal year 1936-37; it is in the annual report of the department for the year ended March 31. The number of applications up to this moment during the fiscal year 1937-38 would not be in my book, but I can very easily get the figures up to, let us say, December 31, 1937. I shall have that information for my hon. friend later on.

Mr. GREEN: It would be possible to give the number of applications for the two calendar years?

Mr. POWER: Oh, yes, we could get that readily enough. Pensions applications, April 1, 1936, to March 31, 1937, appear on page 64 of the report of the Department of Pensions and National Health.

Mr. GREEN: For last year?

Mr. POWER: For last year. The applications are segregated into different groups, and if my hon. friend does not mind I shall give them as they appear in the report:

Nature of Application	Granted	Not granted	Total Applications	Dual decisions	Investigate
(a) Injury or disease	1,914	4,397	6,311	437	500
(b) Claims, I.D.S.	22	83	105	..	5
(c) Section 12	40	110	150	..	1
(d) Death.	414	1,603	2,017	..	51
(e) Retroactive pension	1,528	389	1,917	..	20
(f) Assessment.	292	285	577	..	103
(g) Claims disability not obvious.	15	4	19	..	..
Total	4,225	6,871	11,096	437	680

That was for the year April 1, 1936, to March 31, 1937. My hon. friend will understand that I have not the same information in anything like similar detail for the present year, but I can procure for him the number of applications filed with the pension commission from March 31, 1937 up to the last few days.

Mr. GREEN: The point I wanted to make is whether or not there is an increase in the applications for pensions.

Mr. POWER: I would think not. I am not able to say definitely whether the number of applications for pensions has increased or not. I could perhaps get at it in another way by telling the hon. member of the cases ready for hearing by the quorum, but I do not think that is what he wants.

Mr. GREEN: I want to find out whether there are more first applications coming in now than there were before.

[Mr. MacNeil.]

Mr. POWER: I can readily get that information, although I do not have it here, but I believe that generally speaking they must be falling off in some small degree.

Mr. GREEN: Could the minister give us a rough idea of the number of appeals from the Canadian pension commission to the quorum of the commission which is the second court so to speak?

Mr. POWER: That is, after first and second hearings?

Mr. GREEN: Yes.

Mr. POWER: I can say that the rate at which they are coming in now is about 150 to 200 a month, whereas a year ago there were about 500. There is a substantial falling off in the rate at which they are going up to the quorum. As to the number that were heard in the year from March 31, 1937 to date, I would have to get that information; I can procure it at any time.

Mr. GREEN: Well, the last fiscal year, that is the year ended March 31, 1937?

Mr. POWER: We have not that at the moment, but I shall get it.

Mr. MacNEIL: I now have the regulations issued in October, 1937, with regard to dental services. Those eligible to receive dental services at the expense of the department are:

Class 1. Ex-service men who require dental treatment for conditions accepted by the Canadian pension commission as the result of dental injuries or disease related to service.

Class 2. Ex-service men who are undergoing courses of medical or surgical treatment as in-patients in a hospital or sanatorium, certified by the specialists in charge of the case and notified to the C.M.O. "attention dental surgeon," to require dental attention as an essential part of the treatment occasioned by pensionable disabilities.

Class 3. Ex-service men receiving prolonged treatment in a departmental institution who are not eligible for dental treatment under the preceding provisions of this clause shall be given whatever dental attention the dental surgeon may certify to be absolutely necessary for their health and comfort.

Class 4. Ex-members of the Canadian expeditionary force who are hospitalized class 2, (P.C. 91).

As far as I can discover, the interpretation placed upon this is that it does not relate to those men requiring dental treatment in order to improve their general condition. They may not have had dental injuries on service, but in the opinion of the pensions medical authority dental attention would, for instance, assist in remedying other conditions for which they are receiving attention. My information is that in all cases they do not get that dental attention even if recommended by the medical authority. My point is that when the medical authority authorizes the treatment, there should be no question about treatment by the dental branch.

Mr. POWER: I can only repeat that I should like to be informed of any particular instance of that kind, because I am under the impression that when dental treatment is required it is given, and I do not know of any instance, although the hon. member may have one in mind, where the pension medical adviser stated that dental treatment would be of some use to an applicant or to a pensioner, that it was refused. If the hon. member has such an instance I should be glad to know of it. We have had considerable discussion with officers of the Canadian Legion with respect to dental treatment, and as far as I know this matter is all cleared up at the present time.

Mr. MacNEIL: Is the minister in a position to give assurance that when such recommendations are made by the pensions medical authority they will be carried out?

Mr. POWER: I do not know that I could give any general assurance except that the regulations under P.C. 91 are being carried out, and a little more, so far as the department is concerned. We are not sticking strictly to the letter of the regulations under P.C. 91; we are doing a good deal better than that. When the men go into hospitals for treatment, we see that they have mouth examination and that they get all the treatment necessary, even to the replacement of dentures.

Mr. MacNEIL: Does the minister's assurance apply to neurological cases?

Mr. POWER: I am not quite sure about them; but if my hon. friend is referring to the cases mentioned in the act, where the pension commission has the right to order treatment, the men get it. If, however, he is referring to instances where the patient himself thinks he is a neurological case and should have treatment, I think my hon. friend will agree that some medical authority ought to decide whether treatment is needed or not. In most cases one cannot depend upon what a neurasthenic man thinks about himself, but must have some medical authority to decide.

Mr. MacNEIL: In regard to disabilities in this category, I am not suggesting that action should be taken merely upon the request of the prospective pensioner, but as the minister is aware, there has been a distinct disagreement of opinion as to the policy of the chief neuro-psychiatrist.

Mr. POWER: But not as between him and any other medical man. As between the chief neuro-psychiatrist and my hon. friend, I admit there is a difference of opinion. I will say also that the board of experts gave an opinion which seemed to coincide largely with that of the chief neuro-psychiatrist of the department. I think my hon. friend will admit that, will he not?

Mr. MacNEIL: The position is very largely this, that since that board has issued its findings on this question, there is still more dissatisfaction. I do not know who was responsible for the selection of that board.

Mr. POWER: I think I am responsible for that, and if my hon. friend wants to discuss with me the members of the board and whether they are qualified or not, I think when I mentioned their names—and I could have them brought down in a moment—most hon. members would agree that these men are known as the very highest authorities in that particular field. I do not think my hon. friend will question that.

Mr. MacNEIL: I am referring to the pensions authorities at the moment. We have found that in dealing with these cases we have had very fair treatment from the chairman of the pension commission. He has dealt very fairly with some extremely difficult cases, and in a number of instances pensions have been restored or protected under the section of the act providing that where pension has been paid for five years continuously, and there has been no wilful misrepresentation, there shall be protection. I am seeking the assurance from the minister, as far as he is able to give it, that if the pensions medical authority indicates that treatment would assist these men and perhaps save a general break-down, and that sort of thing, treatment will be given by the treatment branch. With that assurance I would be satisfied.

Mr. POWER: Again I do not know of any conflict as between the two branches. I am informed that there is none as between the pensions medical men and the treatment medical men with respect to the particular class of cases to which my hon. friend refers.

In answer to my hon. friend who inquired as to the cases before the quorum, the situation as corrected to January 25, 1938, is that applications now ready for hearing before the quorum amount to 500. This is the smallest number of pensions claims awaiting local hearing in over fourteen years. Active claims in the hands of district pension advocates amount to 3,376, and this includes all cases in which a claim for entitlement to pension has been filed and action is under way. I have a note here which can be taken for what it is worth—it is only an estimate—that it is expected that fifty per cent of these cases will be settled by means of the 1936 procedure without recourse to local hearing. A great many now, when they have their case fully prepared and the precis is sent out to them, decide that it is not worth while prosecuting their claims any further.

Mr. GREEN: How many claims were granted and how many rejected by the quorum during the fiscal year ended March 31, 1937?

Mr. POWER: That will be found in the annual report for the year ended March 31, 1937. At page 65 it gives a summary of quorum decisions of the Canadian pension commission from April 1, 1936, to March 31, 1937, as follows:

Summary of Quorum Decisions of the Canadian Pension Commission, April 1, 1936, to March 31, 1937

Disability Applications—Entitlement

Nature of Applications	Results of Decisions					
	Granted	Not granted	Listed for re-hearing; investigate	Totally withdrawn	No Jurisdiction	Total
(a) Injury or disease	673	3,089	973	20	2	4,757
(b) Death	36	455	123	2	....	616
(c) Section 12	....	7	1	....	....	8
(d) Claims incurred during service	23	143	33	1	....	200
Total	732	3,694	1,130	23	2	5,581

Mr. GREEN: What was the approximate percentage of claims granted by the pension commission, and the percentage granted by quorums of the pension commission?

Mr. POWER: The last time I inquired into that I was told, if I remember correctly—I can check up these figures—that the percentage granted on first and second hearings ran approximately between 16 and 20 per cent, but when it came to the quorum the percentage was very much lower. I did not get any definite figures on that. Of course, when they go still higher to the appeal court the percentage is infinitesimal.

Mr. GREEN: I suppose it is negligible.

Mr. POWER: Infinitesimal, I admit.

Mr. GREEN: Is there any reason why the quorums of the commission could not handle the appeal work now, with the reduced number of applications? After all, they are the bodies that actually see the men; the court of appeal

does not see the men at all. If the quorums could handle the work, this might lead to a great deal more satisfaction.

Mr. POWER: I have no objection to discussing the whole appeal question, and if my hon. friend wants me to do so now I shall be very glad to. It is, I admit, a most interesting question.

As he knows, the appeal provisions were placed in the Pension Act largely for the protection and assistance of the soldiers. In my opinion—and I say this without any desire to offend anyone—those provisions were used by the crown to a greater extent perhaps than they should have been.

Mr. GREEN: And still are.

Mr. POWER: I think the appeals are now down to about thirty a year as compared with two or three thousand.

Mr. MUTCH: Is that thirty out of 13,379?

Mr. POWER: Appeals by the crown this year number, I think, about eighty. During one year, 1931 I believe, they amounted to some two thousand—perhaps that would cover 1931, 1932, 1933. That, I think, was consequent upon an abuse by counsel for the crown of their right to appeal. That is merely my own opinion; it is the opinion I had then and I still maintain it. A great many of those appeals by the crown were affirmed. Later on, under legislation in 1933, a reviewing officer was appointed and the effect of that was undoubtedly to stop this very large number of crown appeals. The reviewing officer handles all these appeals and recommends them. Neither the crown as such nor the department nor the minister nor anyone else has anything to do with the matter; the reviewing officer is entirely independent; he decides on his own judgment which decisions of the quorum should be appealed. At the present time appeals are very few.

In 1936, knowing that the appeal system had not worked to the satisfaction of ex-soldiers generally, I made a proposal in the house which would have had the effect of abolishing the appeal court and bringing about some such system as my hon. friend now suggests, that is, to have really a court of review in the pension commission.

Mr. GREEN: I am not necessarily suggesting it; I am asking about the present position.

Mr. POWER: I might as well tell the story chronologically. I do not think I have forgotten anything. That suggestion incorporated in proposed legislation was put before the committee, and the committee almost unanimously, at the instance of the returned soldiers themselves—I speak subject to correction, but I think almost every association was opposed to the combination of the appeal court with the pension commission—reported to the house that that particular section which I had introduced into the bill was not approved by the committee.

I understand that there is still an agitation for the abolition of the appeal court. I may say that within a very short time a great deal of the work of the appeal court will have disappeared. The claims now outstanding before the appeal court are only 380, and in 1936, when I suggested that the court be abolished, there were something like 2,300 or 2,500, well over 2,000 anyway. Now they are down to about 300. We are giving consideration, although the matter has not reached the stage of getting into legislative form, to the question of what is going to happen to this court when it no longer has any appeals before it. That is being considered on the ground alone of the expenditure of public money, without any relation to the number of applications which the appeal court saw fit to grant. It may be advisable to make some provision in the near future for the day when the appeal court will no longer serve any useful purpose. Of course it must be remembered that some of these appointments are for ten years, and provision would have to be made for appointees now holding positions in the court.

Mr. MacLENNAN: I suppose it may be that claimants are realizing that it is useless to appeal.

Mr. POWER: Perhaps my hon. friend is right. The system at present is: There is a first hearing; then there is further preparation and a further hearing before the commission; after that a quorum sits and sees the applicant and decides upon his case. By the time he has gone through that and not succeeded in getting entitlement he has probably come to the conclusion that it is not much use proceeding further. That may account for the small number of appeals more than anything else; I would not say definitely.

Mr. BETTS: Can the minister give the number of appeals by the crown and by the soldiers for the last fiscal year, and the result of them?

Mr. POWER: I find these figures in the summary of the work of the pension appeal court for the fiscal year ended March 31, 1937:

Decisions Rendered on Appeals

By applicants from pension tribunal decisions—		
Allowed	0	
Disallowed	122	
		122
By applicants from decisions of the Canadian Pension Commission—		
Allowed	9	
Disallowed	105	
Remitted	2	
		116
By applicants from decisions of quorums of the commission—		
Allowed on jurisdiction	5	
Allowed	8	
Disallowed on jurisdiction	1	
Disallowed	2,171	
Remitted	17	
		2,202
By the crown from decisions of quorums of the commission—		
Allowed	23	
Allowed on jurisdiction	1	
Disallowed	26	
Disallowed, sec. 67 (3)	7	
Disallowed on jurisdiction	1	
Remitted	27	
		85
		2,525

That is a total of eighty-five that the reviewing officer on behalf of the crown placed before the appeal court.

Mr. GREEN: That shows how very little chance there is for an applicant to succeed before the court of appeal. The crown seems to have a much higher batting average than the soldier applicant. I suggest that the time has come when we should abolish these appeals by the crown. After all, the soldier has won his case before the quorum, before the men who actually saw him; then he is faced with an appeal by the crown to a court sitting here in Ottawa, which does not see the man and has no chance to size him up; they can disallow that successful decision. I know of nothing that is more upsetting to the disabled returned men. I suggest that the time has now come when we should abolish these appeals by the crown. After all, they are very few, and very little money is involved. I think we might take that step at this time.

Mr. POWER: As the work is decreasing to such an extent that soon the appeal court may not be required, and one hon. member suggests that it be abolished, though such a course appears drastic, that might be the better suggestion.

Mr. GREEN: Well, the minister knows the position in the department and the facts; he is the one who must make the decision, but in any event I suggest that at this session we wipe out these crown appeals. They are most disturbing to the returned men.

[Mr. Power.]

Mr. YOUNG: Are we on item No. 215 or No. 217?

The DEPUTY CHAIRMAN: We are on item No. 217.

Mr. POWER: There is an item relating to the appeal court, but I was so unsuccessful on the last occasion in my attempts to reform the House of Commons that I thought I had better not try.

Mr. MacNEIL: What are the present arrangements for quorum sittings in Vancouver?

Mr. POWER: There is a quorum there. Colonel Peck is, in fact, the only one. The system which we proposed to inaugurate in 1936 has perhaps not worked as well as we anticipated. There is only one quorum which has a base; that is the Vancouver quorum, and Colonel Peck has his chief office, if I may so call it, in that city.

Mr. MacNEIL: Who sits with Colonel Peck?

Mr. POWER: It varies; it is not always the same man. I am told that last time it was Colonel Riley.

Mr. GREEN: I do not know whether this is the proper place to raise the question of returned soldiers' insurance, but I cannot find it under any item. I wonder if the minister could give us a statement of the position in that regard. Quite a number of the soldiers who had this insurance, had, I understand, to let it lapse. Some of them are now in a position to pay the premiums, and I should like to know whether it would not be possible to put through some scheme whereby these men could now renew their policies.

Mr. POWER: I wish my hon. friend would talk to the Minister of Finance with regard to that matter. He has the administration of the returned soldiers' insurance. Does my hon. friend not think I have enough on my conscience without having that also?

Mr. GREEN: The minister is quite a lot nearer the ear of the Minister of Finance than I am.

Mr. POWER: Not at all.

Mr. BETTS: Would the minister explain why there is a substantial drop in transportation and travelling expenses, from $100,000 to $80,000?

Mr. POWER: Presumably that is due to the reduction in the number of commissioners. There was a reduction of four for a while, and there has been a reduction of three since the month of May. They have

not travelled so much because there were not so many cases ready for hearing, and since the beginning of 1936 they have made an effort to clear up all cases, so in former years they had to travel more than in the last year. This also includes expenses of witnesses and applicants as well, and so there is a large reduction.

Item agreed to.

Pension appeal court, $44,630.

Mr. GREEN: This is the much talked of court of appeal, and I see they are getting an increase of $3,000 in their vote this year. How does the minister explain that?

Mr. POWER: The net increase is $2,781. The restoration of the five per cent cut accounts for $2,071; there are salary increases for some of the staff, amounting to $360, and there is an increase of $350 in sundries, which I assume is due to printing, perhaps one or two trips, and things of that sort. I should like to point out to the committee that the estimates were made up in a rather peculiar way this year, and I am not responsible for that. The comparison is made not with the appropriation of last year but with the vote in the main estimates of last year, and that vote did not include the five per cent which was restored to the civil servants. So it will be found on looking at all these votes that the addition of the five per cent will account for the increase which appears in very many of them. Really almost all the increases are accounted for by the five per cent restoration or by statutory increases, which, as hon. members know, are given to civil servants under certain conditions.

Mr. GREEN: If the court of appeal were dispensed with you would save all this money.

Mr. POWER: I suppose then the difficulty would be what to do with the members of the court. Presumably some provision would have to be made for them by way of pension or retiring allowance, and some provision also would have to be made for the staff. I would not like to be responsible for simply throwing the whole staff out on the street at the moment.

Mr. MULOCK: What is the unexpired term of the members of the court?

Mr. POWER: Mr. Justice J. D. Hyndman was appointed 19-1-31 by P.C. 108, dated 19-1-31; terminates January 18, 1941. Colonel L. P. Sherwood, V.D., was appointed 27-9-30 by P.C. 2268, dated 27-9-30; terminates September 26, 1940. Mr. E. R. Richard, LL.B., was appointed 1-10-33 by P.C. 1882, dated 16-9-33; terminates September 30, 1943. Doctor R. J. Kee was appointed 1-7-36 by P.C. 1659, dated 7-7-36; terminates July 6, 1946.

Mr. GREEN: I suppose there would be expansions in other branches of the department? For instance, in connection with the war veterans' allowance and unemployment assistance there might be a chance to take care of them?

Mr. POWER: That may be a very good suggestion.

Mr. MUTCH: Would the minister indicate what the effect of passing this particular item at this moment would be on the possibility of getting rid of this board within the next year?

Mr. POWER: I do not think it would have much effect. I would think this was one of those statutory-non-statutory provisions, because I think the statute calls for the payment of these salaries. I am not quite sure now, but I shall look up the Pension Act. I think it calls for the payment of certain salaries to the members of the court, and I do not know what we would do if the house refused to vote the salaries. The salaries would still be in the statute.

Mr. MUTCH: I should like to suggest to the minister that we could get many interesting suggestions from the soldiers themselves as to what to do with them.

Mr. LENNARD: Would the minister explain the considerable increase for temporary assistance?

Mr. POWER: With respect to temporary assistance the explanation is the same as I have already given. Under certain rulings of the treasury board it is impossible to make permanent more than eighty per cent of the members of any unit of the government. The remainder must stay temporary, though some of those who are temporary have been there for a number of years.

Mr. LENNARD: What would be the nature of this assistance?

Mr. POWER: They are clerks, stenographers and so on, all appointed by the civil service commission.

Mr. GREEN: Would the figures on page 75 of the report of the department for the fiscal year 1936-37, which show that there were fifty-three entitlements conceded by the appeal court and 2,472 not conceded, give a summary of the work of that court in so far as applications by the soldiers are concerned?

Mr. POWER: That is a summary covering all the decisions, is it not?

Mr. GREEN: That includes the cases the crown won also, does it?

Mr. POWER: I would say so.

Mr. MacNEIL: As the minister quite correctly stated, this matter was given careful consideration by the parliamentary committee of 1936, and at that time it was hoped that some steps might be taken, as was said then, to take some of the judicial starch out of the pension appeal court. A medical member was appointed to the court and certain amendments were made to the act, notably that requiring unanimous judgment with regard to appeals by the crown. Some improvement was noticeable, but in viewing the matter since then I would certainly advocate the abolition of the pension appeal court and, I would say to the minister, the sooner the better from every point of view, particularly that of the ex-service man. I believe if he took some such action it would receive the general support of ex-service men across Canada. The chief consideration is that the appeal court is functioning in such a way as to deprive ex-service men of that which they were assured of under the act, namely the benefit of the doubt.

Mr. POWER: The hon. member knows that the appeal court would not admit that.

Mr. MacNEIL: Probably not, but the minister is well aware that this body has completely forfeited the confidence of ex-service men. Representatives of the men no longer feel free to take their appeals with confidence to this court. That is a lamentable situation.

The court is functioning with all the rigidity and severity of the procedure of an exchequer court, and I say that procedure is not proper or just when dealing with pension cases. My point is that the quorum is the last court before which the applicant is given a personal hearing. The case is reviewed subsequently by a court before which he does not personally appear. The quorum, dealing with the case from the evidence before it, always has in the background the possibility of their decisions being questioned by the reviewing officer, and possibly reversed by the appeal court. There is a tendency, as we say in the vernacular, to pass the buck to the pension appeal court.

I am of the opinion that approximately twenty per cent of the cases before the appeal court, and disallowed, should have received the benefit of the doubt. However, the general attitude of the quorum has been not to take any chances on their decisions being reversed. Certainly the statistics show that, so far as appellants are concerned, the appeal to the court is a joke. The severity of the procedure works to the disadvantage of the appellant. Less than one per cent of the appeals are allowed, I am informed, although a higher percentage of appeals by the crown are allowed. I think if the minister wishes to make certain that the applicant gets the benefit of the doubt, particularly in the class of cases now under review, the earlier the appeal court is abolished the better for the appellants.

Suitable provision might be made for the retirement of members of the court and the staff, so that no hardship would result. I must point out, however, that the main consideration is that there must be more generous treatment in accordance, I believe, with the intention of parliament. I believe that more generous and sympathetic consideration must be given, certainly in connection with applications where the benefit of the doubt might be given.

Mr. POWER: I have before me now the summary of decisions to October 31, 1937, from the time the court started. Perhaps these figures will give a better picture of the situation than any explanation I could give the committee. The following table will give the figures in connection with appeals:

Appeals	
By the crown	245
By commission counsel	2,947
By applicants	10,187
Total	13,379

I take it that appeals by the crown are appeals by the reviewing officer under the legislation of May, 1933. It would appear that he has taken 245 appeals on behalf of the crown. Perhaps that should satisfy the hon. member who has spoken, and should be stated in justice to the reviewing officer. The appeals by commission counsel were made during 1931, 1932 and up to May 1933 and, as will be noted, number 2,947. I said before that they were in the vicinity of 2,500, and I am now in a position to give the exact figure.

The following figures are those for entitlement:

Entitlement		Dual decisions
Conceded	1,282	7
Not conceded	12,001	89
Total	13,283	96

The following table gives the pension result of conceded appeals:

Pension Results of Conceded Appeals

	No.	Annual liability	Gratuity amount
In payment	1,041	$363,774	$2,675
Granted gratuities	39	....	....
No disability	156	....	....
Not eligible	21	....	....
Not yet assessed	16	....	....
Pre-dated	9	....	....
Total	1,282	$363,774	$2,675

The next table gives the classification of pensions in payment:

Classification of Pensions in Payment	
Disability	950
Widows	84
Mothers	6
Children	1
Total	1,041

When these figures are set out in Hansard I believe they will give a complete picture of the activities of the pension appeal court, since its inception.

Mr. GREEN: The minister has not given the number of successful and unsuccessful appeals by the reviewing officer.

Mr. POWER: I believe I left those figures upstairs, but I shall give them to the hon. member later. I have the figures.

Mr. GREEN: The reviewing officer's percentage of wins has been far higher, all the way through.

Mr. POWER: No; from the figures I saw a few moments ago I would say that last year it was about fifty-fifty, if we include certain appeals by the crown which were disallowed on the ground of jurisdiction. I believe there were fourteen or fifteen of those. Then, there were cases remitted for further hearing. I believe there would be a little better than fifty-fifty in favour of the soldier, out of the total of 245.

Mr. GREEN: I mean the crown won about fifty per cent of their appeals.

Mr. POWER: Yes.

Mr. GREEN: Whereas the soldier applicants won between five and ten per cent.

Mr. POWER: No; about fifty per cent of the crown appeals were decided upon favourably by the court, and the other fifty per cent decided in favour of the soldiers. I do not wish to be misunderstood in this connection. I am not speaking of those appeals by commission counsel.

Mr. GREEN: But appeals by the soldiers had an entirely different result. They were successful in very few cases.

Mr. POWER: The total, including those of the reviewing officer, stands at 1,282, as against 10,187. Roughly, it is better than the figure which has been mentioned on a number of occasions. I believe that soldiers generally have been speaking about something less than one per cent, whereas it is nearly ten per cent.

Mr. GREEN: According to the figure for the last fiscal year it works out to about two per cent.

Mr. HEAPS: I have had several occasions to take notice of appeals made by the government against the decisions of the pension commission. In most of those cases the persons concerned have wondered why the government should appeal from a body created by that government. It seems to me a most unusual proceeding to have a pension commission appointed by a government and, upon a decision being handed down by that commission, to have the government appeal from the decision of the body it has set up. Many people cannot understand why that should occur.

Mr. POWER: There were only eighty-five of those last year, and so they do not amount to much. However, I suppose the principle is that the commission is an independent body. The only reply to the hon. member is that as the government supplies advocates, doctors and every other convenience within its power to enable a man to prepare a case, government officials may think that at least they should have one officer who could say a word once in a while.

Mr. HEAPS: Why should the government appeal from a tribunal which it has appointed itself?

Mr. POWER: That happens quite frequently. The crown may appeal from a court set up by itself, such as an appeal from the exchequer court to the supreme court. In 1930, when this new machinery and set-up was established, it was considered by those of us who were working on the framing of a pension act and of creating this machinery, that unless the crown were given the same right of appeal from the decisions, there might be created in the minds of the judges or of the commissioners or of the members of the tribunal the idea that they were there to protect the crown. As a result they might not give the soldier the full benefit of the doubt to which he was entitled. Mistakes were made because the theory of the act was not clear. Prior to 1930 returned soldiers came before committees on many occasions and said that they did not want to deal with the Canadian pension commission because that commission was putting itself in the position of guardians of the treasury. Frankly, I think everybody agreed that many members of the commission probably took that attitude. In the new set-up it was decided that both sides would have a fair chance to talk. The soldier was given his lawyer at government expense and the crown had what was known as a commission counsel.

I believe abuses occurred, but I pleaded only one case before a tribunal myself. At that time I challenged the commission counsel to say something against the contention which I had been upholding in order that he might not sneak behind my back and go to appeal. He allowed judgment to be given in favour of my client and three months afterwards we were before the appeal court. I told him if he had anything to say to say it then; I wanted to settle the case then and there, but he did not say a word. It may be he had received instructions he should not have received, or it may be an attempt was being made to destroy the 1930 act. Whatever it was, the fact remains that in my opinion there were far too many appeals by crown counsel.

Mr. O'NEILL: In my opinion, there is one great stumbling block in front of the returned men. When a man applies for a pension he may be confronted with the fact that when he took his discharge from the army he was medically fit, according to his statement. Possibly less than two weeks after he was discharged he found out that was not so, and may have even gone to hospital. There are also those cases of men who were in certain lines of work before they went to war but who found out on their return that they were not medically fit to carry on the same work. They were forced to take inferior positions at lower rates of pay. These men are considered as being medically fit simply because they are able to work. A man, when he went to war, may have been in a job that paid $200 a month, but on his return finds that all he can do is work at a job that pays only $125 a month. Is there any way in which cases like this could be taken care of?

Mr. POWER: As a distinguished supporter of labour and labour causes, my hon. friend will, I think, agree that the principle laid down when this Pension Act was conceived was that a man with a disability should have that disability assessed according to his value in the ordinary labour market. That is to say, a lawyer who was earning $10,000, $15,000 or $20,000 a year before the war—there was the odd one—and was disabled, through the loss of his eyes, and prevented from carrying on his pre-war occupation, would have his pension assessed at 100 per cent on the basis of his value as a pick and shovel man in the ordinary labour market. His pension would not be computed on the basis of what he had been doing prior to the war. The people who framed this Pension Act felt that there had to be some basis upon which to work, and that is what they arrived at. Pensions are paid on the basis of a man's capacity to earn in the ordinary labour market. If he has lost an arm, then it is considered he is disabled to such a percentage as a pick and shovel man would be. No consideration has ever been given to a man's pre-war occupation.

Mr. O'NEILL: There is just one more observation I have to make. If that is what you pay a labouring man when he loses his value as a labourer, then a general should be paid on the same basis. When a general is awarded 100 per cent pension he should not be getting $400 a month as a pension, he ought to get $60 a month.

Mr. POWER: I did my best to please my hon. friend by taking away from the general who went to a hospital his general's pay; he no longer gets $700 a month plus $400 a month. In so far as the general scheme of pensions is concerned, this matter has been brought up time and again. Hon. members who have followed the discussion know that even if we took away the pensions to generals, colonels, majors and captains, took the pension away from all grades down to lieutenant, we would not increase by one per cent the pensions paid to the non-commissioned ranks. The annual report gives the number of the officer class receiving pensions.

Mr. FINN: Are the generals who were not injured in the war entitled to pensions of $7,000 or $8,000 a year?

Mr. POWER: I have nothing to do with that.

Mr. FINN: Who deals with that?

Mr. POWER: The Minister of National Defence.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

JAPANESE IMMIGRATION

APPLICATION OF PROVISIONS OF CHINESE IMMIGRATION ACT, REVISED STATUTES, 1927, CHAPTER 95

The house resumed from Thursday, February 17, consideration of the motion of Mr. Neill for the second reading of Bill No. 11, respecting Japanese immigration.

Mr. A. G. SLAGHT (Parry Sound): I had not intended to participate in this debate, chiefly because my district of Parry Sound has no local and no immediate interest in Japanese immigration; but after listening to

the impressive presentation of the bill by the hon. member for Comox-Alberni (Mr. Neill), it was forced upon my judgment that this matter is not merely one of importance to British Columbia, but is indeed of national concern. Therefore let me say at once that I desire to discuss the subject from a national standpoint.

The district which I have the honour to represent has its own very special problems and difficulties which on this occasion it would not be proper for me to discuss. But I would not truly represent the innate loyalty and the sympathetic citizenship of my people if I did not voice to the hon. member who introduced this bill our understanding of the gravity of the situation which confronts, in this matter, his people in British Columbia. It can truly be said of provinces as of individuals that, when difficulties occur, friendship divides our sorrows and doubles our joys, and I would say to the hon. member who introduced the bill that the friendship of the district of Parry Sound towards the great province of British Columbia is, I believe, typical of the friendship of the entire province of Ontario in its sympathetic attitude towards this problem, although not many Ontario members have yet discussed the bill.

This debate has furnished, to my mind, an outstanding contribution to the tolerance, and forbearance of the different provinces of Canada and their representatives in this house, and their loyalty to the spirit of confederation at a time when, perhaps, as between provinces we may find it desirable to reinforce our loyalties. We have heard these grave issues put forward by nearly every hon. member from British Columbia, in such impressive language as to command our sympathy, but with a tolerance of expression which is a great and lasting evidence of the loyalty of the great mountain province to Canada and to the British Empire.

I am fully in accord with the principle of this bill. I am equally impressed with our obligation to refrain from choosing this time in our history to enact an exclusion bill against Japan. The figures given yesterday to the house by the Prime Minister (Mr. Mackenzie King) covering Japanese immigration under the existing agreement impressed me, as they must have impressed every hon. member, with the fact that Japan has kept, yes, better than kept, the agreement which she made with us, not only in the letter but in the spirit of her agreement. Eighty-one Japanese immigrants a year entered Canada during the past five years, when pursuant to the agreement they could have sent us 150 each year. Under the circumstances, Mr. Speaker, I ask, Is this the time to pass an exclusion act against Japan, without having made any friendly approach to her to alter or revise our gentleman's agreement, without having said to her, "We find our agreement too onerous; we desire honourably to withdraw after a reasonable lapse of time?" Can you imagine the mother of parliaments, in the present plight of world affairs, taking such a course? What would be thought of us in London to-morrow were we to pass this bill to-night?

I am not one who believes that in fiscal matters, tariff matters or any other issues, we should slavishly follow the desires of the mother country unless we are assured that the interests of Canada prompt us so to do. We are growing up. We have attained a stature of power and privilege which a few years ago we did not enjoy. But therewith we have assumed an added responsibility. Remembering this, and weighing all the facts, is there any hon. member who would choose this time to pass an exclusion act against the Japanese? It has been demonstrated to my satisfaction by the Prime Minister, and beyond all doubt, that were we to pass this bill to-night, British Columbia to-morrow would be in no better position than it is under the agreement of to-day.

On the other side of the picture, what might the possible consequences be? Can we forget that if very serious consequences, consequences we hesitate to contemplate as even possible, resulted from our conduct in passing this bill, who would bear the brunt of trouble? Our courageous, loyal, much-beloved friends who live on the Pacific coast in British Columbia would undoubtedly bear the brunt if trouble ensued.

Mr. NEILL: We are bearing it now.

Mr. SLAGHT: Of course my hon. friend is right. They are bearing a burden now or the members of this house would not have felt such a sympathetic desire to help that province. But will the hon. member indicate to me any of the nine provinces which since confederation have not borne to some extent a special burden in the interests of the unity of Canada and the spirit of confederation?

I have mentioned the mother of parliaments. Can we be unmindful of the history of the past two years? Can we forget that crisis after crisis have arisen in Europe, in the Mediterranean, in India, in Egypt, and lastly in the orient, as to which those British statesmen who have been at the helm during that trying period have had to show great judgment and great forbearance, forbearance which at times, with our conception of the British flag and British traditions of the past,

we have sometimes marvelled they were able to maintain? But with all the differences that might rightfully exist as to this incident or that and the course that has been followed in the motherland with reference to it, who is prepared to say, bearing in mind the conditions of armament and preparedness or the lack of it through the years, that in the main the sacrifices and forbearance which the British statesmen have shown have not been in the interests of the British Empire, including the interests of Canada? Then, Mr. Speaker, if that be so, if that be a reflection towards which we are entitled to direct our minds in a discussion of this problem let us, as my hon. friend across the floor did the other day, give testimony to our judgment and our own forbearance in this matter, which has in one sense an international or world aspect. Most great world conflicts, Mr. Speaker, if you go back in history, have been touched off by some incident in itself entirely insignificant as compared with the results that have followed.

The right hon. leader of the opposition (Mr. Bennett) made, in my view, an extremely helpful contribution to this debate. He has declared that in its present form he will not vote for this bill. He suggested, in a desire, I believe, to be helpful, a possible solution, to the effect that we should pass this bill with the appropriate amendments which would prevent it from coming into operation until so proclaimed by the governor in council after a period of one year or some longer period. He suggested that that might meet the thought or feeling in the house that it would be dangerous to pass this bill in its present form. May I with the greatest respect for the right hon. gentleman, so far as his discussion of this problem is concerned, suggest to the house that that solution entirely overlooks the oriental attitude of mind. I do not think, if that course were followed, we could hope to mollify Japan by saying that for the next twelve months she might, under existing conditions, send 150 more of her nationals to Canada. That would not in any sense remove the sting contained in the passing of this bill.

We heard quoted by the Prime Minister yesterday an extract from a very much respected Japanese representative in 1924 with reference to the legislation which the United States was then putting into effect. What he said, in short, was: "It is not with Japan a question of expediency." Had he been discussing our bill he might have said: "It is not with Japan a question of twelve months more freedom to send 150 more of our nationals to enter Canada. No, it is a question of principle with Japan," this Japanese representative said. "It is a question of respect for our nation; it is the injury to our national pride which would follow." As Professor McKenzie puts it—I am not quoting him exactly, but this is in effect his conclusion that was quoted yesterday—the danger in exclusion lies in the mental attitude it provokes. Surely, Mr. Speaker, we know enough of Japanese pride and of the magnificent traits of a kind which that nation has evolved, her courage and her national pride, to realize that to permit 150 more of her nationals to enter this country within the next twelve months would be a sprat indeed if we attempted, as our conduct would imply, to use it as a solace for the injury to her national pride. If that be true, I believe that this discussion has literally been a good thing for the house and for Canada. I believe that from it we emerge with a fresh sense of our responsibility in present-day times, a fresh sense of our responsibility as a nation which arises from the greater power as a nation which we have of late years acquired.

Let me conclude with this thought, directed in the main to the hon. gentleman who so ably proposed this bill, and directed also to the members representing British Columbia whose special burden, he said, this is to bear, that the sunshine is stronger than the tempest and the storm, and there is always a far horizon for onward-looking men.

Mr. LIONEL CHEVRIER (Stormont): Mr. Speaker, it might be asked why a member from an eastern constituency should wish to take part in this debate, but as has been so ably stated by my hon. friend the member for Parry Sound (Mr. Slaght), this is a question which affects not only British Columbia but the whole Dominion of Canada. While at first sight it might appear that the citizens of the constituency of Stormont, which I have the honour to represent in this house, are not directly affected by the issues raised in this bill, they are from a national point of view affected, and it is from this angle that I desire to speak upon it.

At the outset, Mr. Speaker, may I associate myself with the very wise remark made in the house yesterday by the hon. member for Yale (Mr. Stirling) when he said that we should be most careful in our words upon this subject, that no word should be spoken which might be construed as an affront against any other nation. With that thought I am entirely in agreement, and I believe hon. members who have spoken have followed that advice.

I had the good fortune during the course of last year to make a trip to that beautiful

province of British Columbia. Among the many things which I saw there, among the beauties of the province, without referring to them in any more specific manner, may I simply say that the city of Victoria with its beauty, the city of Vancouver with its tremendous possibilities, are sights which have remained in my mind.

But there is another thing which has remained in my mind, and that is the oriental question. I can quite sympathize with hon. members from British Columbia, because as travellers in that province, no matter where we went, whether in the hotel, in the theatre, in the restaurant, or as we went through the farms or along the coast where we saw what was going on in the fishing industry, we were struck with the magnificence of that province. I know I express the sentiments of hon. members when I say that our sympathy goes out to the people of British Columbia in respect to these burdens which they have to endure.

Unfortunately, while to them it may appear to be a question of a local nature, it is chiefly a question of an international nature, and one linked with the policy of Canada in international affairs. The international policy of Canada has been declared to be one of strict neutrality. With that policy I am heartily in accord. Some hon. members do not agree with that policy. There are also people and groups outside the house who disagree with it and who two years ago would have liked to see us impose sanctions against Italy. There are others who would like to see us take a stand with reference to the government in Spain. There are others who would like to see us impose a boycott on Japanese merchandise coming into this country. I saw the other day in a Montreal newspaper a picture of a street scene in Montreal depicting a parade organized and engineered in favour of a boycott of Japanese merchandise. Fortunately the authorities stopped the parade, and I believe that was a good thing from an international standpoint. I believe also that the same policy of neutrality which we put into effect as far as these other countries are concerned should be considered with reference to this bill. What would be the position of this country if we adopted this bill? It has been referred to as an exclusion act so far as Japanese are concerned. If we were to adopt the bill we should be going against our policy of strict neutrality. The act would be one which might be construed as hostile to Japan, and which in present conditions which are fraught with great danger might very well cause a great deal of trouble.

I believe that the proper solution is that suggested last evening by the Prime Minister when he spoke of conciliation and of agreements which had been entered into between this country and Japan. He referred to an agreement entered into in 1928, by which Japan undertook not to send more than 150 immigrants a year into this country. From 1929 to 1935 the average number of Japanese coming into this country was 100, and during the last five years the average was eighty-one. True, this does not take into account the number who entered from Japan surreptitiously, but it would be impossible even by the bill which is before us to-day to do away with that angle entirely. We have the assurance of the Prime Minister that various departments of the government are doing what they can to solve this difficulty.

I therefore say that I am in agreement with this bill in principle, but would suggest that this is a most inopportune time to pass it. I believe this is an inopportune time because of the seriousness of the international situation. I believe we can well look to Great Britain and the United States for an example so far as this is concerned. Neither of these countries has seen fit in the tense international situation through which we are passing to do anything which might be construed as hostile by the countries which are at war. I believe also that it would be inadvisable to have a division upon this bill at the present time. It is therefore my hope that the hon. member who presented this bill so well may now deem it wise to withdraw it.

Mr. V. J. POTTIER (Shelburne-Yarmouth-Clare): It was not my intention at first to speak on this bill. However as representing the other extreme of Canada geographically I think it fitting that I should make at least a few remarks on what, it seems to me, should be the broad Canadian view. The constituency which I have the honour to represent is situated at the extreme southeast corner of Canada, farthest away from the province to which this bill is of chief concern. The subject matter and the effect of the bill briefly are the exclusion of Japanese from Canada. I find on looking through Hansard for years gone by that this is an old topic; it has come up a number of times. I think it would be advisable to look back and see the reasons why a similar law was not passed on former occasions when the matter came up for consideration.

The last time that the Japanese question was discussed in full detail was in 1923. On that occasion the question before the house now was argued, very ably, by the hon. member for Comox-Alberni (Mr. Neill). At page 1449 of Hansard for that year the Prime Minister (Mr. Mackenzie King) in a short sentence gave the reason why the Japanese should not be excluded at that date. In other words, in 1923 the house saw fit to refuse to pass this law. Therefore, unless conditions have changed; unless times are different; unless there is some reason for changing that view, I submit that we should follow the policy which was agreed upon and adopted at that time. I should like to quote from Hansard for 1923, at page 1449, where the then Prime Minister said:

> The Japanese government offered itself to restrict the number of persons coming into the country in accordance with arrangements which might be made between the government of Canada and the government of Japan.

This is the part I wish to emphasize:

> It was a matter, I think, mostly of national pride with the Japanese. They desired to preserve, in the face of the world at all events, the right of their citizens to go anywere—

That, Mr. Speaker, seems to have been the reason why at that time we did not see fit to exclude the Japanese from coming into Canada. As the Prime Minister stated, the Japanese were willing to fix the number of their nationals who could enter Canada. An agreement was later made, under which that number was limited to 150. If that is the only price we have to pay in order to avoid hurting the pride of Japan, particularly with world conditions as they are to-day, it appears to me that we should take the broad Canadian view and realize that by sacrificing that agreement and excluding the Japanese we would be offering an affront to that nation. It appears to me that this would be an inopportune time to take the drastic step contained in this bill and change the policy which has been followed up to the present time and which it was not thought wise to change in 1923, when conditions were entirely different. The hon. member for Comox-Alberni admits that the agreement in regard to the 150 Japanese was carried out. As I remember it, the Prime Minister, in referring to this matter last night, said that the Japanese who had come in under that agreement numbered one hundred or less annually.

If we pass this bill, in effect we are going to hurt the pride of Japan by saying, "We do not want you," or "We think we are better; we think we are superior." There is nothing that a man or a nation will resent as much as something which touches his or its national pride in that way. The hon. member for Comox-Alberni admitted in 1922 that we should not do anything which would interfere with the trade between Canada and Japan. That reference appears at page 1543 of Hansard for 1922. Perhaps the most eloquent words ever heard in the house were those used by the hon. member for Comox-Alberni in closing the debate in 1922, when he was suggesting what should be the broad Canadian view. Those words appear at page 1547 of Hansard for that year, as follows:

> If this house accepts the resolution and the government enacts not only the necessary legislation indicated in the resolution but also the registration scheme I have already indicated, I believe we will to-night do a great thing for British Columbia, a great thing for Canada and a still greater thing for posterity. For I have a vision, sir, of a greater Canada, of a Canada far greater than that which our narrow vision and our limited ambitions to-day can realize.

I think if we passed this bill we would be doing just the opposite. I believe the broad Canadian view should be that we do nothing which, under existing conditions, would in any way hurt the national pride of Japan, as the Prime Minister of the day said in 1923.

Mr. J. A. GLEN (Marquette): Mr. Speaker, during the course of the debate on this bill it was admitted that while it directly and primarily affected British Columbia, yet there were in it implications which would affect the international policy of Canada. Therefore I thought the voice of Manitoba should be heard as well as that of British Columbia. I have taken the position that because of the implications contained in the bill any member, be he from Nova Scotia or from British Columbia, may take part in this debate without being accused of intrusion.

In his speech yesterday the right hon. leader of the opposition (Mr. Bennett) made it abundantly clear, in explicit terms, which appear on page 567 of Hansard for yesterday, that this bill deals with a matter no longer concerning British Columbia only, but touching the life, hope, ambition and ideals of the whole Canadian people. He realized, he stated, and was fully alive to the probabilities involved in the passing of this bill and the danger that such action would be open possibly to a wrong construction and might place us in an invidious position in the eyes of the peoples of the world in our alleged endeavour to maintain neutrality. The right hon. gentleman made his position clear, as one would expect him to, and in doing so he followed the traditional British policy that where there is an issue before the house involving the safety of the realm, it must be considered without any partisan thought. The

right hon. gentleman, speaking not only as the leader of a party but also as a citizen concerned with the welfare and safety of Canada, took that position. The right hon. Prime Minister (Mr. Mackenzie King) followed the same course. He has pointed out in this and many other debates, and throughout the country, that the first consideration and paramount concern in the mind of the government must be that it shall do nothing which might be a contributing factor to bringing Canada into a war.

Do hon. members realize what would be the enormity of our offence in passing this bill, which on the face of it is so innocuous and seemingly free from harm, if that action resulted in international misunderstandings and wrong interpretations? Everybody knows that parties in an international, national or personal conflict always seek the motives underlying any act which might have a bearing upon the conflict. What, I ask you, would be the reaction of Japan if we passed this bill? The hon. member for Comox-Alberni (Mr. Neill) has made a presentation of the bill in that splendid manner we always expect from him, an expectation in which we are never disappointed. I say to him that despite all his arguments, convincing and earnest as he may be in his presentation, that which will be remembered and enlarged upon will not be his argument, but rather some words which may be taken from the context of his speech and which may have no bearing upon his argument at all. As all public men know, sometimes a single sentence is taken from the context, although that sentence may not convey the meaning of the arguments which have been adduced.

I say to the hon. member for Comox-Alberni that I am satisfied that if this bill were to pass and Japan were to deal with it, the words used by him on page 556 of Hansard of yesterday would be the words to which they would direct their attention, and upon which they would form their judgment. These are the words of the hon. member:

> We will go to China and she will say: You want to trade with us, but why do you treat us so differently from the way you treat the Japanese? And what answer can we give? We shall then be in this position: Either we shall have to reinstate Chinese immigration, which is very undesirable, or under the pressure of China's population of four hundred millions and her soldiers, we shall have to put the Japanese back where I now seek to put them.
>
> If we are going to do it under pressure from China then, why not let us do it now with all the goodwill that comes from a free will act of justice? Let us do it now rather than under pressure later.

Mr. NEILL: Hear, hear.

Mr. GLEN: The hon. member for Comox-Alberni says "Hear, hear." I think he must have missed the point I was trying to make, namely that these words will be taken from the context of his speech, and on that, if they got to a point of considering it, the decision would probably be made by Japan. His arguments would be of no avail.

Has anyone thought for a moment about how the passage of this bill will be considered by nations engaged in war, as they are at the present time? Would it not be considered as an unfriendly act towards Japan, and a breach of that neutrality which until now we have resolutely maintained? The answer of many would be that the Japanese would be wrong in so interpreting the bill. Possibly so; but I recall in this connection what is stated in the Monthly Summary of the Deliberations of the League of Nations. The Summary deals with the conflict between China and Japan in Volume XVII, No. 9, issued in September, 1927, and directs attention particularly to the underlying causes of the dispute. At page 197, following a report of a special committee, the assembly stated:

> The report analyses the official declarations in which the Chinese and Japanese governments have stated their attitude and policy since the beginning of operations, and concludes by asserting that the two countries take very different views as to the underlying grounds of the dispute, and as to the incident which led to the first outbreak of hostilities, but that the military operations carried on by Japan against China are out of all proportion to the incident that occasioned the conflict; that such action cannot possibly facilitate or promote the friendly cooperation between the two nations that Japanese statesmen have affirmed to be the aim of their policy; that it can be justified neither on the basis of existing legal instruments nor by the right of self-defence, and that it is in contravention of Japan's obligations under the Treaty of Washington of 1922 and under the Pact of Paris.

Despite the considered opinion of the assembly and despite the fact that the whole world believes that the Pekin incident was far too trivial to cause war, the battle and conflict still continue.

Following what I have just read we find this:

> In its second report, the subcommittee stated that the present situation in China was a matter of concern not only to the two states in conflict but, in a greater or less degree, to all states. Many powers were already directly affected in the lives of their nationals and in their material interests. But even more important was the interest which all states must feel in the restoration and maintenance of peace. It was the league's duty as well as its right to attempt to bring about a speedy restoration of peace in the far east, in accordance with existing obligations under the covenant

and the treaties. It could not be admitted that the conflict could of right be settled only by direct methods between the Chinese and Japanese governments. On the contrary, any appropriate means by which peace might be reestablished, in conformity with the principles of the covenant and the provisions of existing treaties, must be examined. Even at this stage of the conflict, before considering other possibilities, further efforts must be made to secure the restoration of peace by agreement. The league could not lose sight of the fact that one party was not a member of the league and had, in relation to the work of the advisory committee, expressly declined to cooperate in political matters with the league.

The assembly realized, as all of us do, that the war might ultimately affect not only the two countries concerned but, in a greater or lesser degree, all states. I say that for that reason Canada must not supply the match to light the flame.

Every hon. member in the house, I am sure, has been assailed by individuals and organizations throughout Canada pressing them to take action or to enter protest against Japan. Among those who have approached me there have been men and women whom I would call pacifists. At all events they are men and women regarding whose peaceful inclinations there could not possibly be any doubt. They do not know exactly what they want or what should be done. All they say is that something should be done immediately. I have asked and now ask all of them this question: Do you realize what you are asking me to do? Do you realize that in the mind of every hon. member there lies the fear that some day, as a representative in parliament, he might be called upon to vote on an issue which might mean war? I have said to those people that I prayed to God that the day would never come when I would have to make such a decision.

Some say: Why not apply sanctions? I recall that in recent years sanctions were very much in vogue. I was reading not long ago an article written by Mr. Beverley Baxter, a member of parliament in London, whose contributions appear regularly in Maclean's magazine. I have not a copy of the publication before me, but I can recall vividly what he said in response to a person in Alberta who had written to him. This man referred to the fact that Great Britain had received many rebuffs in the Mediterranean during the Ethiopian controversy and that, generally speaking, she was in a decadent position. Mr. Baxter replied to the correspondent by pointing out two prominent facts in connection with the application of sanctions. First, when Britain asked France if she could have the use of French ports as naval bases in the event of war between Britain and Italy, France replied that at that time she was not satisfied that it was necessary to have a war with Italy. The other fact was that at the assembly of the league fifty-five nations had agreed to the application of sanctions; but when the sanctions were applied it was discovered that France and Britain, to their eternal credit, had lost out in trade operations with Italy, while many of the nations in the fifty-five which had agreed unanimously to apply sanctions had increased their trade, some doubling and others tripling their previous trade with Italy. The point I am trying to make is that when you shake the mailed fist as an answer to another nation's aspirations and hopes, then you invite retaliation.

We in Canada cannot afford to take any action that would affront Japan and that might be the subject of diplomatic negotiations. We should not take any action that would cause repercussions in trade in future years. It has been said that we have gone almost to the end of our patience with regard to this matter. I would point out again the patience shown by the old country statesmen in their handling of international complications. I stand sometimes in amazement at the forbearance which has been exercised by the British government, and particularly that exercised by Mr. Anthony Eden, the foreign secretary. Surely there was sufficient provocation in the methods adopted by Italy for any nation with red blood to fly to arms. Nevertheless Great Britain has stood for all this, and instead of there being conflict today in Europe, we have at least a state of neutrality.

I ask hon. members to look at the map of the world and consider the position of Australia. If it is true that Japan is seeking an outlet for her tremendous population, there is one country in the commonwealth which is more likely than any other to be subject to attack from the orient. That country is Australia. Australia is a vast continent, sparsely settled, with a climate suitable to orientals, and it is located just south of Japan and very easy of access. If Canada were to pass this bill and its implications were resented by Japan, the result might be the bringing of the British Commonwealth of Nations into the arena of possible war. We would be doing a disservice to Australia by contributing to a possible invasion of her shores.

When the people of Canada realize what war with all its horrors means, I do not think they will want their public men to take such action as may cause a breach of our relations with any other country. I do not say for one moment that British Columbia is not having trouble with the Japanese, but I do say that

the latter part of the speech of the Prime Minister, where he referred to the efforts being made by his government in connection with surreptitious immigration, should be broadcast throughout the country and particularly throughout British Columbia. I know the situation in British Columbia fairly well as I am there nearly every year. I know the feelings of exasperation with which the people there view this problem, but this matter should be considered in the light of what has been said by the Prime Minister. He is reported on page 575 of Hansard of yesterday as follows:

> During the past few years and particularly of late the government has been investigating very carefully and fully the matter of surreptitious immigration into the country. As I have said, whether you have an exclusion act or you limit by agreement, there are bound to be efforts at entry on the part of those who wish to get into the country and who are not free to do so under existing arrangements. Those efforts may succeed in part; for although a country does its best in its administration of its laws, it is not possible entirely to frustrate such efforts. But the different departments of this government have been exercising a careful scrutiny of the whole situation, and in the light of recent developments, doing so to an extent that has not been attempted in the past.

Mr. NEILL: Mr. Speaker, I beg to call your attention to the fact that "Blucher has arrived." It is nine o'clock.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Pensions branch — pension appeal court, $44,630.

Mr. POWER: During the course of the discussion this afternoon a question was asked as to the number of appeals lodged by the reviewing officer. From the date of the appointment of the reviewing officer, which was some time in May, 1933, to January 1, 1938, the cases reviewed numbered 2,262 and those appealed, 294. That figure does not seem to coincide with that of 245 which I gave to-day; I am not quite sure about it. But that represents 294 out of 2,292. The crown appeals have been disposed of by the pension appeal court as follows: Withdrawn because no right to appeal, 17; crown appeals allowed, 72; remitted to commission, 87; crown appeals disallowed by decision, 77; crown appeals disallowed by section 67, 3; 1936 amendments, 23; awaiting decision, 18; total 294. Therefore, I was perhaps not quite within the mark. It would appear that only seventy-two of the 294 were allowed; that is to say, the crown won the decision in seventy-two cases. The remainder of the cases were otherwise disposed of.

Mr. BETTS: When the committee rose I was about to ask the minister whether, having regard to the fact that a very much higher percentage of the appeals of the crown succeed than of the appeals of the men, his opinion is that perhaps the court of appeal proceeds on a wrong basis in considering those appeals.

Mr. POWER: I could not say. I have not any idea. I do not know on what basis the court of appeal proceeds.

Mr. BETTS: Well, would the minister assume, having regard to the fact that one of the two parties succeeds in a great many more cases than the other, there may be something wrong in the principle?

Mr. POWER: At the present time, if the information which I have just read is exact, it would appear that my hon. friend's premises are not right, but that in the cases reviewed or placed before the appeal court by the reviewing officer a larger number were decided in favour of the soldier than were decided in favour of the crown—of these cases at any rate.

Mr. BETTS: Of these cases, yes. But if the minister will take the cases over a representative period, say—

Mr. POWER: Well, this is over the whole period.

Mr. BETTS: The whole period?

Mr. POWER: The whole period that the reviewing officer was functioning. I am speaking only of appeals made by the crown; I am not speaking of appeals made by the applicant. I do not want to lead my hon. friend into error.

Mr. BETTS: Perhaps I did not make my point clear. It is that, of all the appeals which come before the appeal court, whether by the crown or by the soldier, the crown succeeds in an overwhelmingly large proportion of the cases. The minister will grant that.

Mr. POWER: I do not know that I would go quite that far, because there are no longer any crown appeals except those taken by the reviewing officer. The appeals taken by the crown are no longer a factor—only 294 since May, 1933. I think my hon. friend will admit

that that is not a very large number, and of that number only seventy-two, I think I said a moment ago, have been decided in favour of the crown.

Mr. BENNETT: Seventy-four.

Mr. POWER: No, seventy-two. So I do not think that is a factor in the discussion of the subject. Probably what my hon. friend is most anxious about are the appeals taken by the applicant against a decision rendered by the quorum. I am free to say that in those appeals the applicant has not had a very large number of favourable decisions. The latest figures which I have are those of a progress report made on January 31, 1938. It seems to cover the ground which we went over this afternoon, so it would not be of much use to repeat it. This is a report of an earlier date, covering December, 1937, which perhaps gives a better indication of the work done: Notices of intention to appeal filed on behalf of applicants from decision of pension tribunal, 2; from decision of quorum, 58; from decisions of Canadian pension commission, 6; appeals taken by the crown, 3. That is a total of sixty-nine new cases were placed, apparently, before the appeal court during the month of December. Decisions rendered on appeals by applicants from decision of quorum: Allowed, 2; disallowed, 102; remitted, 1. Appeals by applicants from decisions of Canadian pension commission: Allowed, 1; disallowed, 9; remitted, 1. Appeals by applicants from decisions of pension tribunal: Disallowed, 5. Appeals taken by the crown from decisions of quorum: Allowed, 1; disallowed, 1; disallowed under section 67 (3), 1; remitted, 2; a total of 5. Appeals finally disposed of during the month, 126. Leave by commission to entertain fresh application: Granted, 3; refused, 8. Leave to renew under section 21 of the Pension Act: Granted, none; refused, 3. Applications for compassionate pension or allowance under section 21: Granted, none; refused, none. That would be all the work; it would give a complete picture of the proceedings of the appeal court during the month of December, 1937.

Mr. BETTS: I think I can clarify my question if I put it in this way. The minister will grant that, if we consider all the occasions on which the soldier has come before the appeal court in the capacity of either appellant or respondent, there is no doubt that he has succeeded in an almost negligible number of cases; I think two per cent would be an outside estimate. Having regard to that, does the minister not feel that there is something radically wrong in the manner in which the appeal court deals with these cases?

Mr. POWER: I think it is a matter of appreciation and any hon. member of the committee can form an opinion from the figures which have been laid before him. Perhaps consideration should be given to a factor which I mentioned this afternoon, that by the time the cases reach the appeal court they have been pretty well combed over, and if the appellants have not been successful up to that time—and my hon. friend knows that the very largest number of cases heard by the appeal court have been through every other court—it may be rather difficult to establish entitlement by the time they get there.

Mr. YOUNG: I desire to bring to the attention of the minister and the committee a case in which I, along with the returned men and other citizens of Saskatoon, have been interested. It is the case of Mr. M. P. Morpurgo, deceased. This man was born in British Guiana. He came to Canada in 1912 and shortly thereafter to the city of Saskatoon. He was a man of very small stature, about five feet one or five feet two, and weighed about one hundred and twenty pounds; he was darker in complexion than, perhaps, any man in the house, but that, I trust, will not be held against him. He was in his own country a dentist, and in Saskatoon a dental mechanic. Although of very small stature he believed it was his duty to enlist, and did enlist in the year 1916. He performed no very glamorous or heroic act. He was never outside Canada; but he joined the forces, and I think everyone will admit that after he joined, his actions were directed not by himself but by his superior officers. If he did not get outside Canada, I trust again that no one will hold that against this soldier, but rather he is entitled to every consideration to which any other man who joined the army would be.

I cannot state that what caused his accident was anything very heroic. As everyone knows, as a soldier he was obliged to march, and in marching to wear the kind of boots and the kind of socks which our army supplies. He developed nothing very serious, merely a corn on his foot; that is all; but owing to some treatment given by himself or someone else the corn became infected. To make a long story short, his leg also became very badly infected, and finally, after some years of rigorous treatment by skilful medical and surgical men, the man had to lose his leg and wear thereafter an artificial limb.

His case for pension came before the pension commission, and he was granted a pension. One Sunday night, coming from church, about eight-thirty o'clock—it was a rainy night and the streets were dark compared with the ordinary night—as this man was crossing the street he was knocked down, had his skull fractured, and died a few hours afterwards.

His widow applied for pension. The case was heard before the pension commission in November and December, 1934, and pension was not granted. The case was heard again on April 4, 1935, and there was a disagreement on that occasion. Of the two commissioners who heard the case, one believed that the widow was not entitled to pension, and the other commissioner believed that she was. There is a provision in the act that in case of disagreement another member of the commission shall be asked to sit in on the case. In this particular case the acting chairman of the commission was asked to come in. The acting chairman at that time was Mr Justice Taylor, of the Manitoba court of king's bench. Knowing that there had been a good deal of confusion and disagreement in the case, he reviewed it very, very carefully, and after reviewing it very, very carefully he was of the opinion that the widow was entitled to pension. So now the decision had become two to one in favour of the pension being granted to the widow.

But we have a reviewing officer, apparently, for the Department of Pensions and National Health, whose duty it is to review all these cases. Having reviewed this particular case he came to the conclusion that the evidence was not convincing enough. I take it that if we have a reviewing officer he must keep on reviewing, or there would be no use for a reviewing officer. This case was heard in March, 1936, by the president of the pension appeal court and one other member. On that occasion I was present and I must say that I was greatly impressed with the extreme formality which I saw in that room that day. This court—I hate the name of court in connection with this—did not sit on the same level as the lawyers engaged in the case; it had to have its bench somewhat elevated. The greatest formality was exercised in addressing this pension appeal court. There was one man hired by the crown, a lawyer, prosecuting the case, and another man hired by the government, defending. It seemed more like being in a court of law than anything else I know. So far as formality is concerned in our ordinary courts, that is the proper thing. I believe it is one of the things which make for that high regard which we all have for our courts, and it has contributed to the excellent record they have established. But in cases of this kind I must say that personally I disagree with the form and set-up which I saw, and with the extreme formality in conducting the case. The case was heard in the month of May, 1936. After it was heard, there was no judgment given for some time. I sent communications on different occasions asking that a decision be rendered by this court, and I was finally told that owing to certain legislation which had been passed by this house, they thought there might be some advantage in rehearing the case by a third member of the court. This third member was added; the case apparently was reheard, and after the rehearing in the month of September, no decision was rendered until about the middle or later of the month of December. I am going to read part of the judgment which was given in that case by Mr. Richard:

This is an appeal by the crown from a majority decision of a quorum of the commission ruling death due to fracture of the skull attributable to service.

The evidence discloses that the late Mr. Morpurgo was pensioned for the loss of a leg which had been amputated in 1929 or 1930, above the thigh, and that he had been furnished, by the department, with an artificial limb; that on account of his artificial limb, his freedom of movement was somewhat curtailed; in fact, that sometimes his limb would stiffen or lock, in which case he would have to stop and make adjustments in order to get the limb working properly again; that about 8.30 p.m. in the latter part of September, 1934, the deceased, while crossing a street in Saskatoon, was hit by a motor car and died the next day as a result of a fracture of the skull sustained in the collision. The driver of the car swore that he never saw the deceased prior to the car striking him. One witness testified before the coroner's inquest that the deceased looked in the direction from which the car was coming just before or as he left the curb to start across the street. Another witness said that just as he was hit, he turned and saw the car. There is evidence that the car was travelling slowly at the time of, and just prior to, the collision. There is no evidence that it was travelling at an unreasonable rate of speed.

To hold that death, due to fracture of the skull, was attributable to service, one must necessarily find an absence of negligence on the part of the deceased and of the driver of the car, and, more important still, one must find that but for the deceased's artificial limb, the collision would not have taken place. The fact that the driver of the car did not see the deceased prior to the collision is, in itself, some evidence of negligence on the part of the driver, or, if not some evidence of negligence, is ground for inferring negligence on his part, as no explanation appears in the evidence to account for his failure to see the deceased prior to the car striking him.

There is no positive evidence of negligence on the part of the deceased. There is, likewise, no evidence that on the evening in question, his limb was not working properly, or that he had at any time to stop and make any adjustment to it. In fact, there is no evidence

to establish or provide a basis upon which it may be reasonably inferred that the artificial limb contributed in any way to the collision. To hold that it did is to base the conclusion on pure conjecture. It is a matter of common knowledge that people with sound limbs are being run down every day on our streets.

In my opinion, the evidence does not establish that death due to fracture of the skull was attributable to service. I would allow this appeal.

The president of the court said:

I agree with the conclusion arrived at by my colleague, Mr. Richard, who would allow this appeal, and merely wish to add that in order to succeed in a claim for pension in respect of the death of an ex-soldier it must be established that the death was attributable to service. Section 11 (1) of the Pension Act reads as follows:

"In respect of military service rendered during the war,

(a) pension 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."

In conjunction with section 11 there must also be read section 73, which is as follows:

"Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant." Shortly after this court came into operation the following interpretation was put upon this latter section:

At this point I should like to draw to the attention of hon. members this interpretation, which personally I had never heard of until I found it in this document:

Proof or evidence of the fact must be of the same general nature as is required in a court of law, as, for instance, in a damage action for injuries or death. The method of proof might justifiably be more elastic but the proof must be positive and not left to mere conjecture, suspicion or surmise. It may happen that on a consideration of the whole case the evidence may preponderate as against the applicant, but while he would in that case probably fail in a court of law, it was intended by parliament (section 73) that notwithstanding the weight of evidence against him the applicant should succeed, but always provided a prima facie case at least is established or made in the first place, and if on the balance of the two a real and substantial, but not a fantastic, doubt in his favour is left in the minds of the tribunal or court.

Then he goes on to say:

Since this interpretation was given by the court there have been several amendments to

The Pension Act, as well as two parliamentary committees, and parliament, which must be presumed to have known of this interpretation, did not see fit to in any way amend either section 11 or section 73. We have stated time and time again that in order to raise a reasonable doubt, as contemplated by section 73 of The Pension Act, there must be some facts established from which such reasonable doubt can be inferred.

In the case before us we have nothing whatsoever in the way of facts from which we could infer that it was the deceased's inability to move his leg which caused the unfortunate accident, but on the contrary we could reasonably say that it was due to some negligence on the part of the motor car driver. That, however, does not assist the claim.

To my mind the whole case is one of pure surmise, guess, or conjecture, which, as above stated, cannot be regarded as proof. With regret, therefore, I would allow the appeal.

Now, what is the evidence in this case? The evidence is that this man was crossing Second avenue, our busiest thoroughfare, from the east side to the west. It was a night on which it had been raining, and was rather dark. Anyone driving in that city as I have done for the last number of years will know that on such a night as that it is very difficult even to know whether your own lights are on, and the light round about is not very bright. The driver of this motor car was going north on Second avenue; he was passed by a street car. At the south part of the intersection there is a safety island. The street car stopped, and again he passed that street car and slowed down, as he says in the evidence, which is corroborated, almost to a standstill. He started up from that point and his own evidence is that he was going at the rate of eight miles an hour. Two girls who were crossing the street at the same time and who said they are accustomed to driving cars say he was going at a speed not greater than from ten to fifteen miles an hour. He was asked whether or not he was attending to his business and looking straight ahead, and he said, "I had both hands on the wheel, I was looking straight ahead and I did not see this man."

The evidence further is that the man left the curb on the east side of the street walking towards the west, the girls walking the other way. They met him eight feet from the curb and they say that at that point he was looking south, and that they, following his example, also looked south and saw the car some distance down the street. The man kept on and the evidence further is that when found he was lying with his head north; one man says the head was on the east rail of the east street car track. The evidence also says that this man was hit by the left fender of the car. I might say further that the evidence of many people is that he had

to walk with a swinging motion of his left leg which impeded his movements at all times. We have the further evidence of his wife that during his last month or two this leg was known to lock on different occasions.

Then, how far did he get? He was going across the street until he came to the street car track and at that point he was hit by the left side of the car. Had he been just one foot further across the street he would not have been hit by this car. The judgment which I have before me says that there is no evidence to show that he might not have been hit except for some negligence on his own part. It also presumes that the driver of the car is the man guilty of the accident. Well, the evidence is that this man in that car was driving at a very careful rate of speed, according to his own evidence eight miles an hour, and the greatest speed suggested by any witness is from ten to fifteen miles an hour; further, that he was looking in the direction in which he was travelling and had both hands on the wheel.

I call the attention of the committee to the fact that if this benefit of the doubt clause means anything at all, surely this is a case in which it should have been construed in favour of the applicant and not against him. There is not an hon. member of the house but will recognize that a man with that kind of artificial leg cannot walk as quickly as a man not so handicapped, and consequently when some danger is in front of him he simply cannot get out of the way as he could if he had two good legs. Is there any hon. member who believes that this man could not have made that extra foot if he had not been impeded by the artificial leg? I ask that in all seriousness.

Personally I did not know this man, but I have taken a great deal of trouble to inquire from our own officials in this department in our own city. They felt very keenly about it; they have made representations. I have talked to the doctors who looked after him; I have talked to many returned soldiers who knew him intimately and knew the difficulty he had in walking, and their unanimous opinion is that he would have been perfectly clear and safe but for the fact of his having an artificial leg.

A minister of the crown came to me one day and said, "What have you been saying about the president of the pension appeal court?" I said, "I don't know that I said anything very much." "Well," he said, "he came to me to say, 'Have I to stand all this abuse when I am protecting the treasury?'" That was the Minister of Finance who came to me in a very kindly spirit. He has known me for a number of years, and he was not really trying to protect the treasury, but he thought I might have been saying something about the president of the appeal court and asked me about the circumstances. Apparently great exception was taken by the president to a letter which I had written, and which contained the alleged abuse. I propose to read this letter in order that it may be on the record. It is addressed to the president of the pension appeal court, and is as follows:

Saskatoon,
December 21, 1936.

Mr. Justice Hyndman,
Pension Appeal Court,
Ottawa, Canada.

Dear Sir:

Re: $205 M. P. Morpurgo, deceased

I thank you for your letter of the 17th instant re the above case. I am very sorry indeed to learn of this decision. It is needless to say I disagree entirely with the decision. The judgment seems to be based on very fine legal technicalities. I cannot help observing that this was passed by the quorum, by a majority of two to one, one member of which was also a judge of the court of king's bench.

Persons here who are acquainted with the whole situation are unanimous that the pension should be granted. By this I mean that all those who spoke to me, and to whom I spoke, consisting of a fairly respectable number, are of this opinion.

The meaning of the legislation giving the benefit of the doubt would not appear to have very much significance. What we really require is more in the way of real justice and less in the way of legal technicalities.

One statement you made during the discussion of the case, when I was present, deserves more than passing notice. It was that if this case were granted it would cost the country $20,000 and that was a lot of money. I respectfully suggest that that was a highly improper remark to make. Whether it would cost $20,000 or more, or less, should not have been a thought coming into the mind of one giving judicial decision on the merit of the application.

I wish to thank you for your personal courtesies for keeping me advised from time to time regarding this case.

Wishing you the compliments of the season—

That is signed by myself. I do not know whether it would be considered the gross abuse that he was referring to if he had in mind my mentioning the remark which he made in my presence when that case was being heard. To me it seemed a very improper remark to make, to say, "If I grant this pension it will cost $20,000, and that is a lot of money." I do not believe it is any part of the duty of any court to take into consideration whether a judgment will cost $20,000 or more or less, or to have anything whatever to do with the amount of money involved. That is up to the parliament of Canada; that has been settled by an act which has been placed in our statute books,

and the only thing the court should be interested in is whether or not the applicant is entitled to a pension. I have a letter also from the president of the appeal court, dated December 17:

I must apologize for not replying to your letter of December 8th before this, but for various reasons I did not get around to it.

With regard to this case, I may say that at the time it was argued, we were all unanimously of the view that no claim for pension had been established, that is, that there was no proof, in the sense of the Pension Act, that the death of the ex-soldier was attributable to service. To say that his death occurred as a result of his inability to escape from the oncoming motor car, because of his leg condition, is a pure guess and conjecture only, and not proof in any sense of that term.

In fact, it would appear that the responsibility, prima facie at least, must rest on the driver of the car. This is the law of Saskatchewan and the motor vehicles act raises a presumption in law that the motor car driver is liable for injuries to pedestrians, in the absence of proof that he was not negligent. Apart altogether, however, from this statutory presumption, it would appear that the motor car operator in this case was to blame, and he admitted that he never saw the deceased and did not know what he struck. It would seem most peculiar that a motorist at the locality of the accident, which was well lighted, and if he had his lights properly on, did not see the deceased. If the accident was caused by negligence on the part of the motor car operator, then it was not due to any fault or disability in the deceased himself.

I may add, for your own information, that the delay in giving judgment was with the object of endeavouring to make sure that we were not wrong in our view, and to make doubly sure if possible, we discussed the case with several judges of the highest courts in different parts of Canada, whom we happened to have the privilege of meeting in Ottawa—one of them being a very able chief justice, and there was complete unanimity that the claim could not be established.

I realize how much in need the widow is and it would have been a matter of great pleasure to be able to come to the opposite conclusion, but we are bound by the Pension Act and, as you know, unless soldiers can bring themselves within the terms of that act, it is impossible to grant a favourable award.

Again regretting very much indeed our inability to assist this widow, and wishing you the compliments of the season, believe me—

That is signed by the president. Now, Mr. Chairman, I want to make two or three observations. In the first place, this application was heard by a pension tribunal, and was refused. New evidence was adduced; the application was heard again by two commissioners, and there was disagreement. The chairman of the court, a justice of the court of king's bench in Manitoba, was called in, under the terms of the act. I believe he was an able man. He was once the leader of the Conservative party in Manitoba, and I take it that able men are selected to lead that party; I assume that statement would be agreed to by hon. gentlemen opposite at all events. In any case I am prepared to say that a careful selection was made in the appointment of this gentleman to the bench. He gave careful consideration to this case and he was of the opinion that the pension should be granted.

Now I come to this last letter, in which I find what is to me at least an extraordinary thing. Apparently before the members of the appeal court made up their minds they went out and consulted judges of other courts, who never saw the witnesses, probably never read the evidence and only heard a review of the case as given by the president of the appeal court. I am wondering whether or not it was the judges who had no right to any say in this matter who influenced the judgment of the appeal court.

It has been said that a great deal of conjecture entered into the matter. Is it mere conjecture when a man, wearing an artificial limb, crosses a street on a night such as that, and has only a few inches left to go? If he had two good legs he could have made that last little distance, which certainly was not more than a foot. Am I to believe that the benefit of the doubt means anything whatever in this case? I want to put on record a few figures which I obtained the other day from the department, which may settle some of the questions raised by some of my hon. friends to-night:

Herewith is certain statistical information relating to the operations of the pension appeal court which was asked for this morning by Dr. A. MacG. Young, M.P.

Appeals by applicants from unfavourable decisions of the pension tribunal, Canadian Pension Commission or a quorum of the commission:

1. Applicants' appeals allowed during the calendar year 1936	27
2. Applicants' appeals disallowed during the calendar year 1936	2,291
3. Applicants' appeals allowed during the calendar year 1937	16
4. Applicants' appeals disallowed during the calendar year 1937	2,490

Appeals by the Crown from decisions of a quorum of the commission in favour of the applicant:

1. Crown appeals allowed during the calendar year 1936	16
2. Crown appeals disallowed during the calendar year 1936	32
3. Crown appeals allowed during the calendar year 1937	23
4. Crown appeals disallowed during the calendar year 1937	43

The foregoing figures have reference only to appeals which were finally disposed of during

the calendar years 1936 and 1937. They do not include cases which were remitted for further consideration, applications for leave to reopen, and other miscellaneous references to the court. The gist of the statement is that during the two year period mentioned a total of 4,938 appeals were disposed of by the pension appeal court. Of these 118 were resolved in favour of the applicants, and 4,820 against the applicants. The number of applications resolved in favour of the applicants by courts of the Canadian Pension Commission during the two year period covered by this report was 1,266. It will be observed that the crown lodged appeals in only 114 of these cases and that of these 114 cases, 75 were resolved by the crown in favour of the applicant.

We have heard a great deal to-night about whether or not this pension appeal board was rendering service. I would say to the committee that if the decisions were given, as I believe they were in this case, on strict legal technicalities, where the soldier's widow did not receive the benefit of the doubt, this will explain why it was almost useless for an applicant to bring his case before the appeal court. I am satisfied myself, from what I have seen in the court itself, and from the records which I have seen, that the pension appeal court is not serving a useful purpose for the returned soldiers of this country.

I want to say, further, that once a pension is granted by a quorum of a commission, so far as I am concerned I believe that pensioner is entitled to get the pension, without the crown employing counsel to find some way whereby the pension may be set aside. I am definitely opposed—I have said this outside and I want to say it in this chamber where I can be heard by all—I am definitely opposed to the crown taking appeals from the decisions of the pension commission where the applicant has received a favourable decision. A soldier takes a great deal of trouble to present his evidence, and may get a favourable decision from the quorum. We then employ men to take from the soldiers that which our own appointed quorum gave to them. There is something wrong with that system. I am just as satisfied that in this particular case justice was not done as that I am standing in my place in the house.

I would rather take the opinions of those good returned men, and others in that city who knew the man well, who knew the conditions in the city on that night, and who knew the circumstances of the whole case intimately. They are unanimously of the opinion that the widow was entitled to that pension. I would rather take their verdict than a judgment of the pension appeal court. I do not believe in all the formalities which we have. Perhaps there may be some use for an appeal court, but the figures I have given to-night would lead me to conclude that there is not very much reason why we should have an appeal court or why we should continue having one.

I do not wish to say anything unfriendly with regard to the personnel of the court. I believe that their point of view is not right. Perhaps I should not say this, but I do say it most kindly, that Mr. Justice Taylor was himself a returned soldier and a judge of the court. The president of the appeal court, a former judge of Alberta, is not a returned soldier. The same is true of Mr. Richard; he is not a returned soldier. I do not know whether those men look at the problem in quite the same light. I would not like to be unfair and to say that they do not, but I merely mention the point.

I do know this, that the judgment of those who intimately know the case in Saskatoon, and the judgment of those men in Saskatoon who have been trying to be fair, would be at least to me of more value and carry more weight than the judgment of the pension appeal court. I have often heard the leader of the opposition (Mr. Bennett) and other hon. members say that where there is a wrong there must be a remedy. I believe that in this case there is a wrong. I appeal to the minister and to the committee to find some way whereby this widow, who is in great need, will be given the pension which I believe she deserves.

Why was there all this delay from May until December? Why go to other judges to find out their opinions, if it was a clear case, where there was no doubt? I ask that in all sincerity. More than that, a skilled judge in the quorum was of the opinion that there was a good case. There was some doubt at least in the minds of some. I say that under the act passed by parliament, which act I claim was misinterpreted by the pension appeal court, the widow did not get the benefit of the doubt.

Once more, before I sit down, I am going to ask the minister to give consideration to this case and, if there is any way possible, to see to it that justice is done and that she gets her pension.

Mr. POWER: Mr. Chairman, the facts as related by the hon. member are, I believe, substantially as disclosed by the file. The application received a great deal of consideration from the different bodies set up to deal with pension applications. I believe the hon. member gave all the facts, in so far as they are available, to the committee.

On November 13, 1934, the Canadian pension commission decided that death was not related to service. On December 18, 1934,

the Canadian pension commission decided that additional evidence does not alter the former decision. On April 4, 1935, the application was heard by a quorum of the Canadian pension commission, commissioners Jones and Gray. A disagreement resulted, Commissioner Jones finding that the accident was consequential upon the pensionable disability, and Doctor Gray finding that death was due to an accident which was in no way associated with the service disability.

On February 8, 1936, pursuant to the statutory provision with regard to a disagreement between two members of a quorum of the commission, the case was referred to a third member and was considered personally by the acting chairman of the commission, Hon. Mr. Justice Taylor, who concurred with Commissioner Jones and found that the soldier's death was attributable to his service.

On March 6, 1936, the reviewing officer did not concur in the finding of the quorum of the commission and directed that an appeal be lodged on behalf of the crown. Among other reasons the reviewing officer gave these for appealing the decision:

> It is considered that the reasons given by the members of the quorum, who are of the opinion that death was attributable to service, are not convincing, are to a considerable extent based on conjecture and are not corroborated by the evidence given at the coroner's inquest.
>
> It is further considered that, as entitlement decision in this case depends almost entirely upon a correct appreciation and interpretation of the evidence before the inquest as to the details of the accident, it is advisable that this claim should be completely considered by the pension appeal court, particularly in this respect, and before any final decision as to entitlement in respect of death is given.

On December 22, 1936, there was a judgment of the pension appeal court in which Mr. Justice Hyndman set forth his reasons and Mr. Richard also gave his reasons. I do not think the hon. member for Saskatoon (Mr. Young) or any other hon. member will ask me to express an opinion as to the value of a judgment rendered by the appeal court. I cannot do that. I am not in a position to do it. I have not the facts before me, and I do not think hon. members, other than the hon. member who has just spoken, have sufficient knowledge of the facts to render any judgment.

Mr. BENNETT: And this is not a court of appeal.

Mr. POWER: I was about to say that parliament has set up the machinery to decide on the merits of these cases. Parliament has divested itself of that duty, and has prohibited the minister from taking sides in matters of this kind. I regret to say that I can make no suggestion to the hon. member as to what further procedure could be followed, any more than I can make a suggestion to him were he to ask me with respect to a non-appealable case in any of the courts of his province or in the Supreme Court of Canada.

It would appear that the appeal court carefully considered the case. There was some delay, but I should like to point out to my hon. friend that if anything that delay was of some value to the applicant. The appeal in this case was lodged in March, 1936, and came up for hearing in May of that year. It will be remembered by hon. members that at the session of 1936 legislation was enacted to the effect that when the crown had lodged an appeal, in order to succeed it was necessary that the judges be unanimous. This could have been of material assistance to the applicant because, if the appeal had been heard and decided in the month of May, when it first came before the court, that statutory provision for the protection of applicants would not have been effective. When the case was heard the second time in September, 1936, that provision which gave a claimant a better chance than had existed previously was in existence. It would appear that the three members of the court who heard the case were unanimous in their decision against the applicant.

With respect to Mr. Justice Hyndman, I may say that he has had a long and distinguished career as a member of the supreme court of Alberta. Prior to that he was a distinguished member of the bar of that province. I have less knowledge of the legal ability of the other two members of the court, but I am convinced that all the members are conscientious men. I am sure that when they give their decision they do so to the best of their knowledge and ability and in all conscience according to the judgment which they think is the proper one in the circumstances. That is all I can say on the subject.

Mr. YOUNG: I was careful to say that the delay was due to certain legislation, but I also pointed out that the case was reheard in September and no judgment given until December. If there had been no doubt in their minds the decision could have been given at once. Instead of that, they sought opinions from other judges. If there had been no doubt in their minds, they would not have done that. I must say that I was very unfavourably impressed by two things. The first was that in my presence it was stated by the president of the court of appeal that if that case was granted it would cost the country $20,000,

and that was a lot of money. I was present and I heard that. Then he went to the Minister of Finance and he said, "Am I to stand for abuse when I am protecting the treasury of this country?" I do not believe that is a proper attitude to take with regard to a matter of this kind. It so impressed me as to make me consider more carefully the number of cases which went to appeal and the number of appeals granted. I was perhaps considering this matter more carefully than other hon. members who never have been in that court of appeal.

I want to say to the minister that if that is the attitude that prevails, the sooner we do away with the appeal court the better. This afternoon some hon. gentleman on the other side said that where there was a dispute and a returned man appealed, he might have his case reheard by other members of the same board. I am quite certain that there is far less formality and technicality before the quorum, where the witnesses appear, than there is before this appeal court. In conclusion I want to say that we must either humanize this appeal court or do away with it entirely.

Mr. BENNETT: Because this matter is one of such great importance I venture to make a few observations. I do not think a week goes by when I am in western Canada that I do not receive complaints regarding the adjudication of claims for pensions. I recall a case in which a widow came to see me not very long since with her papers and complained bitterly that she had been denied the right to a pension by the appeal court because the court had held that death was not attributable to service. I might have arrived at another conclusion—I think I did—but I am not going to say that the tribunal was wrong for that reason.

Anyone who is familiar with our jurisprudence knows that the books are filled with cases where one judge entertained one opinion and another, another. The courts of appeal finally settled what the law should be. I recall what is known as the Wakelin case in which an action was brought against a railway company in England for negligence because a man had been found dead on the right of way where he had been thrown by a train that had passed and struck him. Varying views were entertained between the trial court and the House of Lords, but finally they laid down the law which has been the law ever since and which has been applied by our courts, including the court of last resort, the Supreme Court of Canada. The law is this: Unless there is some evidence to indicate that the injury or death complained of is attributable to some act of negligence, the plaintiff fails in his claim. That has been the universal declaration of law, and if it is open to pure conjecture as to how death occurred, the plaintiff cannot succeed. The reason is obvious.

Anyone who is an educated and professional man like the hon. member for Saskatoon (Mr. Young) knows that the rule is that he who asserts must prove. When this poor unfortunate man was killed as a result of an automobile collision, it was the duty of those who claimed a pension to prove that that death resulted because of some defect in the appliance provided or for some reason connected with the appliance which he was using and which prevented him from escaping something about which no one knew anything. That is, the hazard that he faced was not known. It was only known that he was killed by being struck by an automobile and the assertion of the poor, unfortunate widow that the death of her husband was attributable to this appliance made necessary because of his service obviously could not be sustained. She could not prove, either by inference or otherwise, that the death complained of was attributable to anything connected with his service. That, I think, disposed of that side of the matter. I do not think that the local law in the province of Saskatchewan dealing with the question of the presumption of law when the injured person is struck by an automobile advances the matter any further.

But we must proceed one more step. The hon. member for Saskatoon has pointed out, very properly, that the statute contains a provision whereby the benefit of the doubt must be given to the applicant. But the kind of doubt to which the statute refers is not the doubt that I have indicated; it has no reference to that. The difficulty lies in the fact that if you substitute for the construction of a statute the sympathy of human nature and human kind, you always run into difficulties. That has been pointed out so frequently that I am not going to restate it. I wonder if there is anyone in this chamber to-night who would not desire to see that woman get a pension. That is human nature, and to its credit be it said, it is human sympathy.

But when you begin to apply principles that are laid down in a statute, those principles must be interpreted not in the light of the sympathy of the individuals who apply them or the sympathy of those who sit in the court and listen, but on principles that are settled by courts as to how a statute shall be interpreted. Interpretation is the duty of the court, and if it were otherwise what a mess

we would be in. If our sympathies were to govern our judgment, where would we be? I recall conclusions that in a very youthful day I arrived at, with respect to what I conceived to be a great miscarriage of justice, because my sympathy entirely controlled and governed my judgment. As one gets a bit older one begins to realize that the rules which govern the interpretation of a statute, the function of the judge or a court, are rules which have been created not for the purpose of destroying the operation of human sympathies but that justice may be done to all without fear, favour or affection. And what a stupendous task it is to administer justice at all. Justice is an attribute of the Godhead. Milton said, "Not just, not God." To endeavour to administer justice is one of the most difficult of all the obligations that can be placed upon mankind. I am satisfied, knowing Mr. Justice Hyndman as I have for thirty years and knowing that very few of my acquaintance are more sympathetic than he—

An hon. MEMBER: Hear, hear.

Mr. BENNETT: It is not a question of guessing at it; I know he is sympathetic. But one of the reasons that an appeal court was constituted as it was, was for the purpose of preventing what may be called the play on sympathy in determining ultimate responsibility.

Mr. YOUNG: Would the right hon. gentleman not say the same thing about Mr. Justice Taylor?

Mr. BENNETT: Yes, but Mr. Justice Taylor approaches the problem with a warmer sympathy than would be possible when you have to determine a pure question of law. I point out, what the hon. member for Saskatoon seems to overlook, that in the ultimate analysis this case became nothing more or less than a pure cold question of law. It is easy for us in this chamber to say that that never should be so. But unfortunately or fortunately, in determining the question of liability on the part of the crown to pay pensions, we have passed a statute of this parliament, and may I add that it is, so far as I know, the most generous statute in the world. Perhaps we in this country made one mistake, and that is the reason those four thousand cases are there. I heard the Minister of Pensions in England once say that although they had made mistakes they never endeavoured to cure them because they left the precedent for future cases to govern them, believing that to endeavour by legislation or otherwise to cure them would only invite in the end chaotic conditions. He went further; he said, "We have never departed from the rule that beyond a given date we would not receive applications for pensions." Why?

Mr. POWER: They did to some extent.

Mr. BENNETT: I am just coming to that. Why? Because the laying down of an absolute period of cut-off was thought to be the only method by which one could ensure against what one might call unfair claims being preferred to the pension boards. There were exceptions, but the exceptions were so few in number as not to operate against the application of that universal rule. Now we have seen fit to extend the time and extend the time until, in the year 1936, we are hearing claims that arose in 1915 and 1916. The minister hinted at it but he did not follow it up. For obvious reasons, in his position he could not very well do so. But the fact is this, that of those four thousand claims which were dismissed on appeals made by the applicants, I venture to say in eighty per cent no one appeared; it was an impossible claim from the start; it was a claim that in eighty per cent of the cases had been presented not once or twice but sometimes ten or fifteen times before they finally reached the decision which has been indicated. Now why was this done? Because, this being a new country and we never having had to face a situation like this, we realized that there were many weaknesses. These independent men who came back feeling all right said, "We are not going to bother about making application for pension," and so they did not do so. Many of them who are in good shape, though they have a right to make a claim for a pension, have not done so yet.

Mr. POWER: We are receiving more claims on account of gunshot wounds now in comparison with the others than we ever did before.

Mr. BENNETT: Just think what a support of that position the observations of the minister are. He is now, twenty years after the peace, receiving claims for pensions for gunshot wounds. So far as I know ours is the only country in the world that is doing this.

Mr. POWER: That is because the men did not desire to claim earlier.

Mr. BENNETT: That is the very reason, of course, that the men, not feeling it necessary and desirable to make claims, did not do so. Now they are beginning to feel the effects and so now they are beginning to make these claims. Legislation on this matter has never been party legislation in this house.

There was a little attempt at it once, but we shall pass that by; broadly speaking, there has never been party legislation. Under these circumstances this legislation is legislation that has been arrived at by compromise and adjustment and giving a little here and taking a little there by men who are all returned men. In every case they fashioned and shaped existing legislation. I think it is correct—

Mr. POWER: Substantially.

Mr. BENNETT: —to say that the shaping of the legislation has been done by returned men on both sides of politics.

Mr. YOUNG: But the final adjudication was by men of whom two out of three are not returned men.

Mr. BENNETT: The final adjudication. But it has been a question of the determination of liability by the application of principles of law. I think that is a fair statement.

Mr. POWER: At one time, I believe, the appeal court did decide in many cases question of fact.

Mr. BENNETT: That was in the very early days.

Mr. POWER: The intention I had at the time the law was passed was that the appeal board should decide only on questions of law, and not fact; but they went beyond that.

Mr. BENNETT: That is true, because it will be remembered one member of the quorum decided that if a man had been in France he was entitled to a pension, and this made it a little difficult for the appellate tribunal when it had to deal with the matter.

Mr. POWER: I do not think that was quite the decision. Perhaps the right hon. gentleman has not stated the fact quite correctly.

Mr. BENNETT: I recollect that case where he said, "Were you in France? Well, you will get a pension."

Mr. POWER: That was not given, though, as one of the reasons for his decision in awarding the pension.

Mr. BENNETT: That is about the only reason he ever did give, I am bound to say, which is unfortunate.

I want to get back to one thing. The hon. member for Saskatoon has said that two out of three men who decided this case were not returned men; they were both lawyers, one a judge of fifteen or sixteen years in the appellate division of the supreme court of Alberta, and partly in the trial division, the other a practising member of the bar of New Brunswick for many years, and the third was a returned soldier and a member of the legal profession residing in this city.

One reason why that appeal court was constituted at it was, was just as the minister has said. It was originally intended they should deal with questions of law; they did have at times to deal with questions of fact as well. But in this case it is purely a question of law, and the question of doubt which has been mentioned does not arise at all, for the reasons given by Mr. Justice Hyndman in his judgment. If, for instance, there had been evidence that there was negligence on the part of the unfortunate deceased, and on the part also of the driver of the car, then the benefit of the doubt would have to go to the man; but when there is no evidence one way or the other, nothing except the bare fact that the man lies dead with a cracked skull, that does not create any presumption one way or the other. There is not even a prima facie case; there is no bent of testimony to prove anything connected with the man's death. He is dead. He was struck by a motor car. Whether that was an act arising from his own negligence or from the negligence of the driver of the car, or purely from some circumstance as to which there is no evidence at all, you have no question there upon which the application of that principle of the benefit of the doubt is to apply. It is like the case of a man who is found lying dead on the side of the right of way, and a train was known to have passed by. You could not say there was any relation between the death of that man and the passing of that train. That is what the House of Lords has decided, and the judges in the appellate division were bound by that principle of law in the absence of any proof—just keep in mind that fact—as to how the death occurred. There is no presumption one way or the other, and there being no presumption and no evidence, then of course it followed that you could not predicate liability without presumption or some form of evidence. But had there been the slightest evidence upon which a conflict arose, then it was the duty of the court, as pointed out in the interpretation placed by Mr. Justice Hyndman upon that provision, to give the benefit of the doubt to the applicant.

The minister will recall how vigorously that was threshed out in this house. The late

Doctor McGibbon was here for hours dealing with that. That was why the committee made its report. It was a difficult clause to draw, to fit into legislation; but it was done, and it merely means that if you have some conflict, however small it may be, however slight it may be, then you have liability predicated, because the benefit of the doubt must go to the applicant.

Just one step more and I have concluded, and I would not take up the time of this committee were it not for the fact that I receive many cases of this kind. I have had to tell unfortunate applicants just what I am saying now, although much more briefly, and I dare say this committee wishes it were an applicant at the moment instead of having to listen as it is doing now.

The president of the court was frank enough to say to the member for Saskatoon that they had consulted leading jurists of the country, judges. Well, I can tell him that that is a very ordinary course for judges to take who are dealing with problems not of this kind at all, but with such questions as the legal effect of a man being found dead with a fractured skull. When they are dealing with the question of legal liability predicated upon the fact that a man had been killed, they might well consult leading jurists and others, the same as doctors sometimes consult together. In fact, I remember a most eminent physician who told me that he had met one of his fellow-craftsmen, who was a surgeon from another country, and that he had discussed with him very carefully a particular case. Even doctors do that without in any sense interfering with the soundness of their own judgment or the honesty of their convictions. And the fact that judges do it is well known everywhere. When they meet together one judge will say to another: "Is there any question that the mere finding of the body of a man who has been killed in an accident by coming into collision with a motor car does not, in the absence of some proof, constitute any cause of action?" In the same way a learned physician meeting another physician might ask him whether or not he could say with certainty that the use of the most important pharmaceutical discovery of 1937 would not have injurious effects upon a man's mind, to say nothing of his life. When you have new things, and even old things, physicians have been known to talk about them to one another. So the hon. member for Saskatoon cannot predicate any great argument upon that.

I am surprised to find that we have what we may call hearsay evidence introduced into this chamber. It is alleged that the president of the court spoke to the Minister of Finance, who told the minister, who told the house—

Mr. DUNNING: Do I come into this?

Mr. BENNETT: Oh yes, the Minister of Finance is in this. He is supposed to have been approached by the president of the court, who asked him whether or not he was to listen to these attacks against him, because it was being alleged that he was trying to protect the treasury. But, knowing Mr. Justice Hyndman as I do, I do not think that is exactly the way in which he would put it. I do not think it is quite consonant with our ideas of propriety that any member of the house should predicate a grievance upon a statement that somebody told him that somebody had told him that the president of the court had said so and so. That is perhaps not quite what would be expected in this chamber; I will merely leave it at that.

I am interested, as I feel every hon. member must be interested, because I frequently receive cases of this kind. I had to tell a poor lady not long ago: Unfortunately here is the unanimous determination of the court, and I know of nothing I can do for you unless you have new evidence. Once you have new evidence, you can present your case to the court once more for the purpose of having the court say whether such new evidence is of such a kind as warrants a rehearing of the case. Inasmuch as we are all interested, and inasmuch as I still believe the appeal court has served a useful purpose, not only for the state as such but for the returned men themselves, I can readily understand how human sympathy has been aroused in cases like this.

I would think less of the citizenship of Saskatoon if I were told that it did not sympathize with the widow. It is human nature that this should be so, and it is very much to the credit of human nature that such sympathies do prevail. But that has not been the method which has been used in any country I know of for the purpose of determining how these matters should be dealt with, except one. After the great civil war it was left open to any member of congress to propose that a pension should be paid to John Smith, and if he could by sufficient appeal to the sympathies as well as to the vote-getting effects of his efforts—

Mr. POWER: And log-rolling.

Mr. BENNETT: Well, that is the word I was going to use, but I hesitated in these days of international peace to use such a word as that lest it might give offence to someone who was propounding doctrines of everlasting good will in Asia. So I merely content myself with saying that what I had in mind

was that with the exception of one country where a majority vote in congress carried a pension to an individual I know of no country in which it could be said that the right to secure a pension to a widow or anybody else on the basis of any claim that could be put forward should depend upon the judgment of the community in which the applicant lived. Human nature is sympathetic still, to its credit be it said, and I hope will long continue to be so. But if those charged with the unfortunate responsibility of administering a law are to be laid open to an attack upon their sympathetic natures, all we would have to do would be to induce the minister to believe that this would have a most potent effect upon the voting power of Quebec East, West, South or North at the next election, and sympathy would be so aroused that pensions would be granted to everyone.

Mr. YOUNG: I wish to thank the right hon. leader of the opposition for taking part in this discussion. He is a very able representative of the legal profession, a distinguished member of the bar. However, I should like to point out to him that in the court in which he has always practised he must prove his case beyond any reasonable doubt.

Mr. BENNETT: No; in a civil case by preponderance of testimony; in a criminal case beyond reasonable doubt.

Mr. YOUNG: That is the case in the court in which the right hon. gentleman has practised. That is also the case in the court in which the president of the pension appeal court practised before he came over here. But our statute says that that benefit of the doubt clause shall not be interpreted in that way; that the benefit of the doubt must be given in favour of the applicant.

Mr. BENNETT: Of what doubt?

Mr. YOUNG: Let us come to the doubt. First, let me say a word about the two judges. I think very properly the right hon. gentleman referred to the pension appeal court judge as a man of experience and, as he says, a man of long standing at the bar. Then I asked the second simple question, I hope not an embarassing question, What did the right hon. gentleman think of Mr. Justice Taylor? If I caught the answer aright it was this, that he was also a very able legal gentleman but he was afraid that perhaps the heart got a little in advance of the head.

Mr. BENNETT: I did not express any opinion about Mr. Justice Taylor.

Mr. MUTCH: You said he was a little warmer hearted.

Mr. BENNETT: That he was a soldier.

Mr. YOUNG: Well, that is the inference I took. I take it that both of these men are skilled in the law. Now what does this benefit of the doubt clause say? I am going to read it once more:

> . . . the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant.

All reasonable inferences in favour of the applicant. I should like to ask this committee; I should like to ask any judge, Would it not be a reasonable inference that a man who was a cripple, who had an artificial leg, who, according to the evidence was careful, looked twice to the south, and who handicapped as he was had made the crossing with the exception of the last ten or twelve inches when the left mudguard of the car hit him, could, if he had had two good legs, have made that other foot and been out of danger? Surely that is the way to interpret the benefit of the doubt clause in favour of the returned soldier.

I recognize very well that perhaps the minister has no jurisdiction. But when there is a wrong there must be a remedy. I am going to ask him once more to look into this case to see if there is not some way whereby what I think almost everyone will concede was an injustice, is righted.

Mr. MUTCH: Although I had never heard of the case mentioned by the hon. member for Saskatoon until to-night, I am particularly grateful that he has brought up this case, and grateful also for the comments of the right hon. leader of the opposition, because it gives me opportunity to say in this committee something which I have been aching to say long before I came to this house. Although I am not a lawyer I could not help feeling convinced as I listened to this discussion to-night that in this instance the court of appeal had brought to bear on this particular case every conceivable argument except the one which to me is most essential. And with no particular disrespect to the legal profession I would say that the appeal court have not shown themselves to possess the least commonly practised of all qualifications, the qualification of common sense. Neither am I a doctor. I have no desire to disparage the contributions that doctors and lawyers have made either to the country during the war or on behalf of returned men since the war. But in spite of those contributions I think they have been one of the returned men's most serious liabilities since the war. In spite of the fact that I am not a professional man I

can think of these decisions, as well as any other hon. member perhaps, in terms of the men who are most interested in and most affected by them, the returned soldiers.

This is not a party question; it is not a question of this parliament or the last parliament. We have made much ado about the benefit of the doubt in all questions affecting the returned soldier, and the general consensus of opinion among the returned men is that it does not mean anything. The returned man puts it rather more profanely than I think the chairman would permit me to put it here. The reason it does not mean anything is that it can be explained away in terms of the law from every conceivable case where it might mean anything to the returned men.

By and large clause 73 does not mean anything. This type of example, which can be multiplied over and over again not only in the experience of the leader of the opposition but in the experience of the humblest member of this chamber, has caused this clause to become a joke. Having no knowledge of the merits of this case, but having listened to the hon. member for Saskatoon and to the learned, but from the standpoint of the returned soldier completely ineffective defence of the situation by the leader of the opposition, I am glad to have an opportunity to say that returned men in general figure that the benefit of the doubt clause does not mean anything. If we do nothing else in this session we ought either to define this clause to make it mean something or remove it.

Mr. FINN: I have listened to the remarks of the hon. member for Saskatoon, the right hon. leader of the opposition and the hon. member for one of the Winnipegs. The hon. member for Winnipeg South said a few moments ago that he was neither a lawyer nor a doctor. The other evening I happened to be talking to him, out at his excellency's, and he told me that he was a curler, and that he had just returned from some part of Ontario where he had spent three, four or five enjoyable days. I was very glad that he had that pleasure, but when it comes to the returned soldiers and the legislation which is upon our statute books may I say, as I stated last year, that I had an opportunity of appearing before the appeal court, not for the purpose of presenting any argument but to accompany a gentleman from Halifax who, I believed, was entitled to consideration. After the argument had been heard Mr. Justice Hyndman, the chairman of the court, said to me, "Mr. Finn, do you desire to make any statement?" I replied, "No, Mr. Chairman, I do not. I accompanied the gentleman from Halifax only in order that he might feel at home when his case was being argued." Mr. Justice Hyndman replied, "I only wish that every hon. gentleman who sits in the House of Commons would come down with his constituents and at least give that moral support which is so necessary, even if they do not succeed."

I remember very well when I was studying law at Dalhousie university, of which the right hon. leader of the opposition is a graduate and to which he has been so financially kind. I remember that a fellow student in, I think it was, our second or final year, found himself faced with the question, What is the rule in Shelley's case? The gentleman who was not very studious was rather looking at the answers being written on foolscap by a fellow classmate who was studious, but with that the president of the university, the Reverend Doctor Forrest, came along, together with Professor McMechan, and this wonderful professor, the late Dean Weldon, was in the offing and therefore the student had no further opportunity of cribbing. He thought possibly it was a catch question, and after considering it for a while finally he made up his mind to answer it. The rule in Shelley's case, of course, which was settled by the House of Lords, was that a person could not devise or control his property "beyond a life or lives in being and twenty-one years." That is a settled principle; it applies to every person who has any wealth—and I do not think there is as much wealth on this side of the house as there is on the other.

Mr. BENNETT: You are mistaken there.

Mr. FINN: I will say to my right hon. friend the leader of the opposition, the ex-Prime Minister, that I had not him in mind. Rather I had in mind statements which appeared in the Citizen last evening in reference to the wealth which belonged to a gentleman who has passed on to "that bourne from which no traveller returns," who was highly respected in this house and in this country, and who has left a name that can be conjured with not only by this generation but by the generation which will read history in the light of his living and his passing.

In any case my friend the non-studious student thought he would make an attempt to answer the question, and he did so. He wrote down the question: What is the rule in Shelley's case? And then he said the answer was: "The rule in Shelley's case is the same as in any other man's case. Any d— fool ought to know that." The result was that he failed in more than two subjects and there-

fore lost his year. Professor George Ritchie, who was professor "of wills"—we used to call him "Svengali"—did not put him in to return for a supplementary in September but put him in to return at the opening of college to take a new year. It took him six years to get through, and he is not now practising his profession. So I think perhaps my hon. friend—

Mr. POWER: The hon. member should have said he was a judge.

Mr. FINN: No; I was speaking of Mr. Justice Hyndman as a judge but of the other gentleman as a fellow student and in my class at Dalhousie university, of which my right hon. friend the leader of the opposition is a graduate and of which he is very proud; and so am I. I think he has more reason to be proud than I have, because I was rather a bad boy in college and I have not lost all those qualities yet.

Mr. POWER: Was he not a bad boy in college?

Mr. FINN: Before my time. But, Mr. Chairman, I was going to say that I agree with the legal principle laid down by the right hon. leader of the opposition. It is not of a sympathetic character, not because he is not sympathetic but because the law must be interpreted as it has been placed upon the statute books. Therefore he is against the gentleman who had the wooden leg, and I do not say that unkindly or frivolously. The hon. member for Saskatoon can go home with the assurance that he has made the best of a bad case; and a wooden leg is the cause of the downfall.

Let me go further, and say that at the last session of parliament, when the Minister of Pensions and National Health (Mr. Power) was bringing down his estimates—and he has taken such an interest in his department, and is always available and sympathetic to the returned soldier; I know of no hon. gentleman in this house, whether he sits in opposition, or did, or sat on this side when they were here or sat over there when we were here—though I was never over there and I never expect to be—who ever made a greater success of his department.

Mr. BENNETT: Do you think it will be after the next election?

Mr. FINN: All I can say to my right hon. friend the leader of the opposition is that he should have his horoscope read. I had mine read the other day. There were no politics in it, but it said I was too generous, too kind, too sympathetic, and worried too much. I think that also applies to the right hon. gentleman, and that may be the reason he will come over here.

To resume, Mr. Chairman, last year I referred to a nurse at Camp Hill hospital. She had been overseas; she had served well, but she had arrived at the age of sixty-five. She was not entitled to pension on the ground of disability through being wounded or having a wooden leg; at least I do not think so. But, sir, she was a nurse, but had not the required time. She might have been on the Llandovery Castle, and if she had been she never would have returned to this country, any more than did Miss Fraser, who was also a nurse, the daughter of a late lieutenant governor of Nova Scotia, Hon. D. C. Fraser, who sat in this house and finally climaxed his honoured career by becoming lieutenant governor of his native province. I said last year, and I say again to-night, that in cases of this kind, where the pension granted is insufficient, the law should be elastic enough to permit action being taken. Some person should have authority where a strong equity is established, to deal with such cases.

In this instance the Minister of Pensions, through the officers of his department, saw his way clear to recommend the payment of a gratuity to help the nurse in the few years yet to be hers. I do suggest to the minister and to the government which, at the present time the Minister of Finance (Mr. Dunning) is leading—and he will lead that day when he brings down the finest budget that has ever been brought down; I am giving away no government secrets, because I am not a member of the government; if I were I would not tell you—if legislation is to be brought down by the Minister of Pensions, provision should be made whereby all cases which have been adjudicated upon in the courts might be considered by the minister, or by some other persons indicated by parliament. But where there is a strong case in equity, as there was in this instance, certainly help should be given. Here we had a nurse who had served long and well, and yet at the age of sixty-five she found herself out in the cold and looking up at the citadel, thinking that while once the guns of that citadel belched forth, nothing was now belching forth from Camp Hill, not even a fifty cent piece.

It is fortunate that that case was dealt with, and I want to thank the minister for the way in which he acted. The nurse in question will have some comforts in the few years still left to her, and believe that she owes a debt of gratitude to the minister, to the government and to the house for that gratuity in dollars and cents which meant so much to her happiness of heart and mind.

Because, after all, when we begin to get "in the sere and yellow leaf" the finest qualities in the individual come out. I do not think anyone displays them more than the right hon. the leader of the opposition—and of course I do not suggest he is "in the sere and yellow leaf"; I think he is in the pink.

My other point was this: Last year I had in mind the case of an individual whose name I could not mention. He was a diffident chap living in the north end of the city of Halifax. He and his three brothers went overseas. His father, who is now dead, had served in the South African war. Each of his brothers was wounded three times, and he was wounded four times, the last wound being in the head. As a result of gas he developed a lung condition and to-day he is in the advanced stage of tuberculosis. That man receives $7.50 per month under the Pension Act, and was receiving from the city of Halifax an amount which brought him in a total of $18 per month. That money paid his board in a little dark room in the north end of the city.

I say to all hon. members, irrespective of party affiliation, that cases of this kind may be considered along with those mentioned by the leader of the opposition. He who deals with the law is a god, and therefore I would say that the Minister of Pensions should take these matters in a reflective mood, as together with his deputies he sits by the fireside trying to see if it is possible to work out a solution for such cases. It will not be very long before it will be de mortuis est with the soldiers to whom I refer, and then there will be no more opportunity. He will meet his God who, as was stated by the leader of the opposition, is a most just God, a most kind God and most charitable. I add the word "charitable," because charity covers a multitude of sins, and therefore I shall have to do a great deal of charity.

I shall be privileged to give a memorandum to the Minister of Pensions in order that he may be able to deal with this matter. Perhaps it may be the foundation stone by which a section of the amendment to the Pension Act will permit cases of that kind to be considered in a humane fashion.

I lost a nephew in the war, Lieutenant Clifford Finn, and I often think that the man who was best off is not the man, old or young, who was wounded, but the man who is over there beneath the poppies. He is better off than the man who lives to-day to whom little gratitude has been extended. He thinks that we in parliament are callous and cold when we are asked to consider the needs and requirements of the homes and families of the returned men.

When the leader of the opposition spoke he was not sitting as a judge in the house, or one interpreting the statute. He was big and strong enough to state the facts, irrespective of a possible suggestion by someone in the west that he might not be sympathetic towards the soldiers. I do not believe that is his attitude, because I have some knowledge of the attitude of the right hon. gentleman. I know about his vast charities, and therefore I say a man of that type would not single out a returned soldier and say, No, to him, unless the courts were dead against him. He would be given a hearing, if he could prove his case "beyond a reasonable doubt."

Mr. HAMILTON: Mr. Speaker, I have listened with great interest to the observations of the leader of the opposition. As he has said, I think there are few in the house who do not know of cases similar to that set out by the hon. member for Saskatoon. I know of more than one. In my opinion the question with respect to the application of the clause dealing with the benefit of the doubt is a very important one.

For some years the manner in which this provision has been applied, and the results secured, have been difficult to understand. The inference permitted to be drawn seems to be an inference of fact, something which is left for the trial tribunal to decide. If first the pension commission and then the quorum, or perhaps several commission hearings and one or two quorum hearings, exercising that privilege they have of drawing inferences of fact, are unanimous in finding that there is a doubt and that the applicant is entitled to the benefit of that doubt, then I do not see how the appellate tribunal can find that there is not sufficient doubt and overrule the decision in favour of the applicant.

Mr. BENNETT: Would it interfere with my hon. friend if I put it in this way: In this case there was no evidence upon which an inference could be drawn. That is what the appellate court said.

Mr. HAMILTON: I had thought of that, but according to the hon. member for Saskatoon (Mr. Young) there was apparently certain evidence given at the inquest as to where the body lay, how far it was away and where the tracks of the car were from which an inference might have been permitted to be drawn. If there is an exercise of the power to draw inferences from facts; if the appeal is dealt with as a matter of law and not as a matter of fact, where there has been so many decisions, either majority or

unanimous, of trial tribunals in favour of giving the benefit of the doubt to the appellant, then it is difficult for me to see how the appellate tribunal can overrule them.

Mr. BENNETT: The hon. gentleman knows that there are many cases in which juries find certain verdicts and the courts set them aside because there was no evidence upon which the findings could be made. That is the real point of this case.

Mr. HAMILTON: I appreciate that. They cannot make a finding on the facts on the ground that the finding would be perverse or something.

Mr. BENNETT: No evidence.

Mr. HAMILTON: No evidence of a type upon which a finding could be made. In overruling the decisions of whatever tribunals there may be I am not sure that the court of appeal is not exercising the functions that should be properly exercised by the quorums. They are overruling the doubt which has been found in favour of the appellant. The appeal tribunal is saying that despite the fact that it has been found that there is a doubt, in their estimation that doubt does not exist. That overruling is confined to the applying of principles of law, such as the right hon. leader of the opposition has suggested. I agree with the hon. member for Winnipeg South (Mr. Mutch) that there is a feeling throughout the country that the benefit of the doubt clause does not operate fairly in favour of applicants making application for pensions.

Item agreed to.

Progress reported.

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

Monday, February 21, 1938

The house met at three o'clock.

BANKING AND COMMERCE

Mr. G. W. McPHEE (Yorkton—for Mr. Moore) moved that the first report of the standing committee on banking and commerce be concurred in.

Motion agreed to.

FISH TRAP LICENCES

Mr. A. W. NEILL (Comox-Alberni): I wish to present a petition, signed by W. W. R. Mitchell, president of the Associated Boards of Trade of Vancouver Island, and 9,595 others, all citizens of British Columbia. The prayer of their petition is that this honourable house may be pleased to order the abolition of fish trap licences in the waters of British Columbia.

CANADIAN WHEAT BOARD

Hon. W. D. EULER (Minister of Trade and Commerce): I wish to lay on the table the report of the Canadian wheat board for the crop year 1936-37. The report has been printed and will be available for the members within a day of two.

LEAGUE OF NATIONS

BRITAIN'S FOREIGN POLICY—CANADA'S RESPONSIBILITIES AS MEMBER OF THE LEAGUE

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Before the orders of the day are proceeded with I should like to direct a question to the Prime Minister (Mr. Mackenzie King). In view of recent occurrences indicating a change in Britain's foreign policy, will the Prime Minister make a statement at an early day on the government's attitude to Canada's responsibilities as a member of the League of Nations?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might answer my hon. friend's question at once. The attitude of Canada towards the League of Nations remains precisely as set forth by myself in this House of Commons at the last session of parliament.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN FARM LOAN BOARD—LOANS IN SASKATCHEWAN

Mr. COLDWELL:

1. What was the amount of loans placed by the Canadian Farm Loan Board in northern Saskatchewan?
2. What individual or firm acted as solicitor in the Prince Albert and adjacent area?
3. How much money, if any, was paid to the firm of Davis and Davis, barristers and solicitors, Prince Albert, Saskatchewan, in solicitors' fees for said board?
4. Who are the partners in or members of the firm of Davis and Davis, Prince Albert, Saskatchewan?

Mr. DUNNING:

The following reply is furnished by the Canadian farm loan board, with respect to questions 1 to 3:

1. As the loan records of the board are kept on a provincial unit basis only, the information asked for is not now available.

2. The services of J. G. Deifenbaker, Prince Albert, in the period September to November, 1935, and C. S. Davis, Prince Albert, in the period November, 1935 to May, 1937, were utilized. None at present.

3. None. The board has paid to J. G. Deifenbaker, Prince Albert, the sum of $12.75 and to C. S. Davis, Prince Albert, the sum of $207.00, on account of legal services rendered the board.

4. C. S. Davis is sole partner of the firm of Davis and Davis.

FEDERAL INCOME TAX—QUESTION OF SHARING WITH MUNICIPALITIES

Mr. CHURCH:

Is it the government's intention to grant a share of federal income tax to the municipalities where it is collected as a subvention for services rendered the government in the way of exempt property, by giving the municipalities a share of this federal collection in the same way as provincial authority shares income tax?

Mr. DUNNING: This question relates to a matter of policy and it is not usual for the government to make statements on matters of policy in giving replies to questions.

ST. LAWRENCE RIVER DREDGING FLEET

Mr. POOLE:

1. Was the government dredging fleet of the St. Lawrence river ever kept idle while work was being done by the General Dredging Company?

2. How many vessels, dredges, boats, tugs, etc., have been sold by the government to the General Dredging Company since 1922?

3. What was the price obtained on any sale made?

4. What sales were made without tenders being called, and what were the prices?

Mr. HOWE:

1. The number of dredges employed by the contractors and by the department on the St. Lawrence work has varied from time to time, and it has happened that work has been done by contractors' dredges when departmental dredges were not fully employed, This has been due in part to the urgency of the work of providing a deeper and wider ship channel from Montreal, and also to the fact that contractors' dredges were able to do more work with the money available than could be accomplished by departmental dredges.

2. The following units of the dredging fleet, St. Lawrence ship channel, were sold to General Dredging Contractors, Limited, together with Sorel shipyard, on July 22, 1937:—

Dredge No. 3 (at south channel) (scrap), dredge No. 4 (at south channel), dredges Nos. 5 8, 12, 13, 14, 15, 16, 17, dredge No. 18 unfinished), Churchill No. 1.

[Mr. Dunning.]

Tugs:—Deschaillons, Becancour, Lake St. Pierre, Varennes (scrap), Contrecœur (scrap), Iberville (at south channel) (scrap).

Coal barge No. 6, hopper barges Nos. 1, 3, 4, and 5 (all at Quebec), rockbreaker No. 1, steel sand dumping scow No. 22 (at south channel).

Steel dumping scow No. 23; Nos. 24, 25, 26 (at south channel); No. 27; No. 28 (at south channel); No. 29; Nos. 30 and 31 (at south channel); No. 32.

Steel sand dumping scow No. 33; wood dumping scow No. 34 (scrap); wood dumping scow No. 35 (scrap); steel dumping scows Nos. 36 and 37 (at south channel); No. 38; No. 39 (at south channel); Nos. 40 and 41.

Winch scow No. 1, 11—Barrel floats, 3—small wood flat scows, fire scow No. 1, fire scow No. 2.

Also the following surplus marine equipment, Montreal harbour:—

Tug "Aberdeen", tug "David Sneath", dipper dredge "John Kennedy", dipper dredge No. 5; floating derricks Nos. 1, 4 and 8; launch "Messenger"; dumper scows Nos. 36, 37 and 38; flat scow No. 2 (equipped with hand derrick); hull of old concrete mixer; flat scow "A6"; flat scow No. 22; flat scow No. 31 (equipped with steam derrick); flat scow No. 55 (equipped as floating sawmill); flat scows Nos 50, 51, 52, 58, 59, 61; 3 derrick floats.

3. The lump sum consideration for the entire transfer of the shipyard property, and appurtenances thereto was $1,708,544.

4. Sale was by negotiation.

SHORT MEASURE IN GASOLINE SALES

Mr. BERTRAND (Prescott):

1. Has the Department of Trade and Commerce through its branch of weights and measures, or otherwise, been made aware of short measure in sales of gasoline, wholesale or retail?

2. If so, how many complaints from each province: (a) from wholesale sales; (b) from retail sales?

Mr. EULER:

1. The department receives from time to time (nearly all in the winter) incidental complaints of short measure in gasoline, but most of them relate to apparent shortages due to the contraction of the gasoline under low temperatures (1 per cent for every 20° F.)

2. Answered by No. 1.

RASPBERRY PULP IMPORTATIONS

Mr. LENNARD:

How much raspberry pulp was imported into Canada for the twelve months ending December 31, 1937?

Mr. EULER: Raspberry pulp is not separately recorded in Canadian import statistics.

REID HILL DISTRICT, ALTA., MAIL CONTRACT

Mr. HANSELL:

1. What persons tendered on contracts for carrying mail throughout the Reid Hill district adjacent to Vulcan, Alberta, on or about the first part of January, 1938?
2. What was the amount of each tender?
3. Who obtained the contract?
4. When did he, or will he, commence his duties?

Mr. EULER: The tenders submitted for the conveyance of mail over a proposed rural mail route from Vulcan, which were opened in the Post Office department on January 28, 1938, are still under consideration,—the awarding of a contract being suspended until the result of a canvass for boxes is known.

Information concerning the tenders will be available as soon as contract is awarded and executed.

CANADA'S WAR DEBT

Mr. ISNOR:

1. What is the total outstanding war debt (in dollars and cents) of the Dominion of Canada.
2. Is this amount now being carried on the balance sheet of the public accounts?
3. If so, under what heading?
4. Is there at present a special war tax?
5. If so, what is the total revenue from such source?
6. Is said war tax being used to liquidate war debt?
7. If not, to what fund is it being credited?
8. What was the total amount received from war tax during the fiscal year of 1937?

Mr. DUNNING:

1. It is impossible to determine with accuracy what portion of the outstanding debt of Canada is "war debt." All loans issued during the war have been refunded one or more times; in some cases portions of maturing issues were paid off and in other cases refunding issues were increased to provide funds for other purposes. War expenditures were charged when made to the consolidated revenue fund, likewise other expenditures attributable to the war, such as war pensions, treatment and after-care of returned soldiers, soldier settlement, interest on and administration of public debt, etc. All revenue received by the government goes into a common fund, the consolidated revenue fund, and all expenditures are made therefrom. It is impossible, therefore, except by the use of highly hypothetical assumptions, to calculate the proportion of the present total net debt of Canada which may be attributed, directly or indirectly, to the war.

In the public accounts for the year ended March 31, 1937, a table is given (see page 51) showing war and demobilization expenditures (including adjustment of war claims) year by year since 1915, and totalling $1,695,958,569.66 as at March 31, 1935. This total, however, does not include any expenditures for war pensions, treatment and after-care of returned soldiers, soldier settlement, interest on war debt, or other indirect or consequential expenditures arising out of the war.

2 and 3. Answered by No. 1.

4. Income tax is collected under a statute entitled "The Income War Tax Act." Various excise taxes, the tax on bank note circulation and the tax on net premium income of insurance companies other than life, are collected under a statute entitled "The Special War Revenue Act."

5. In the fiscal year ended March 31, 1937, the amount collected under the Income War Tax Act totalled $102,365,241.75, and under the Special War Revenue Act to $154,457,679.76.

6 and 7. All government receipts are credited to the consolidated revenue fund from which all government disbursements are made.

8. Answered by No. 5.

TORONTO MUNICIPAL AIRPORT

Mr. GRAYDON:

1. What proportions of the cost of the new Toronto municipal airport at Malton, Ontario, will be borne by the dominion government, provincial government, and the municipal corporation of the city of Toronto?
2. When will the said airport be opened for aerial traffic?
3. What is the estimated total contribution of the dominion government towards the construction and completion of said airport?

Mr. HOWE:

1 and 3. An agreement has been entered into between the Department of Transport and the city of Toronto for assistance in the development of the Malton and Island airports, which are now being constructed by the city authorities. This agreement calls for contributions as follows:

Fiscal year 1937-38	$100,000
" " 1938-39	250,000
" " 1939-40	100,000

The municipal authorities have advised the department that the province of Ontario is contributing similar amounts and that the proportion of the total cost of the two developments will be approximately:

Dominion government	24 per cent
Provincial government	24 per cent
City of Toronto	52 per cent

2. The officers in charge of construction for the city of Toronto notified the Department of Transport that though construction will not be completed it will be sufficiently advanced to permit of its use by high-speed aircraft not later than July 1, 1938.

MONTREAL HARBOUR BRIDGE

Mr. WALSH:

1. At what figure is the Jacques Cartier (harbour) bridge now carried on the books of the government?

2. What loss, if any, has been sustained by the port of Montreal for the year ending December 1, 1937?

3. What loss, if any, has been sustained by the port of Montreal during the seasons of 1933, 1934, 1935, 1936?

4. What savings, if any, have been effected by putting the harbour of Montreal under the National Harbours Board?

5. What increase in revenue will accrue to the port of Montreal if advertised increase in rates is put into effect (based on the volume of traffic handled in 1937)?

Mr. HOWE:

The following information is furnished by the National Harbours Board:

1. Capital cost of Jacques Cartier bridge is not carried on the books of the government except as an indirect liability in respect of guaranteed bonds outstanding. It is carried on the books of Jacques Cartier bridge at a capital cost of $18,649,077.80. Operation, maintenance and carrying charge of the bridge are covered by a set of accounts which are separate and distinct from those kept in respect of general harbour operations at Montreal, and the deficits of the bridge are provided for by annual votes of parliament.

2. Net income deficit, 1937, $1,066,514.60, exclusive of Jacques Cartier bridge.

3. Net income deficit (exclusive of Jacques Cartier bridge): 1933, $1,407,916.21; 1934, $1,787,795.57; 1935, $1,467,889.78; 1936, $1,263,654.52.

4. Expenses of administration, operation and maintenance in 1935, the last year under local commission, were $2,394,967. In 1936, the corresponding figure was $2,209,179, and in 1937, $2,136,800. In the meantime operating revenues increased from $4,032,770 in 1935, to $4,238,836 in 1936, and $4,377,350 in 1937. The net improvement on operating account over 1935 figures was, therefore, $391,854 in 1936 and $602,747 in 1937, a total in two years of $994,601, made up of $443,955 in reduced expenses and $550,646 in increased revenues.

5. Publication of any estimate of anticipated revenue must be regarded as premature at this stage. The National Harbours Board has placed before carriers, shipping agents, consignees, and other users of the harbours, draft tariffs of harbour dues, dockage and top wharfage, and is preparing to receive any representations which may be offered. The object of the board is to have substituted for present tariffs, established when the harbours were under local boards, a coordinated series of charges, designed to remove any anomalies and unfair discriminations which may now exist as between harbours that are competitive and to secure, in view of the deficits shown by the harbours, such increase in revenues as may be justified, due consideration being given to comparable charges elsewhere, costs on alternative transportation routes and other factors influencing the movement of traffic. No changes in rates are made except upon the authority of the governor in council.

*LEAGUE OF NATIONS—ATTITUDE OF CANADIAN DELEGATION ON FAR EASTERN SITUATION AND REELECTION OF SPAIN TO COUNCIL

Mr. COLDWELL:

1. Did Canada's League of Nations delegation at Geneva vote on October 6, 1937, on the report of the drafting committee of the League of Nations, recommending that signatories of the Nine Power Treaty be invited to meet to examine the far eastern situation?

2. What instruction or advice was given to the Canadian delegation by the government of Canada or the Department of External Affairs on or about September 20, 1937, regarding the question of the reelection of Spain to a seat on the council of the League of Nations?

Mr. MACKENZIE KING: Hon. members will see that this question is really two questions, and both involve matters on which there has been a good deal of misunderstanding, but neither question is so framed that an answer limited to the point raised would be of much assistance in making the situation clear. I therefore propose to answer the question orally and in the form of a statement on the questions referred to.

The first question refers to press reports last October to the effect that the Canadian delegation in the league assembly had abstained from voting on the resolution regarding the Sino-Japanese war, and to the effect further that this was due to failure on the part of the Canadian government to send instructions promptly.

The Sino-Japanese conflict was referred by the assembly to a committee termed the far eastern advisory committee, on which Canada was represented. Some phases of the question were referred by this committee to a subcommittee on which Canada was not represented, and this subcommittee finally

set up a drafting committee. The drafting committee reached agreement on the text of a report on the afternoon of October 5. An attempt was made to rush the report through the three remaining stages that same day, regardless of the consideration that a large number of members of the assembly were not represented on the sub-committee or on the committee itself. After adoption by the sub-committee it was referred to the full committee. The senior Canadian representative quite properly refrained from voting, giving his reasons as follows:

> This is the first time I have seen the two reports under discussion. I notice that they contain conclusions of great importance. I have no instructions from my government, to which I would at least like to communicate the conclusions with a view to obtaining their approval as soon as possible. Therefore, in the circumstances, I am bound to suspend my adhesion to these reports until such time as I have received these instructions. I hope they will be available before the matter is discussed by the assembly, when I hope that I shall be able to support the reports.

Later in the same evening, at eight-thirty, the report was sent on to the assembly, and it was proposed to proceed immediately with the discussion and voting. The delegates of Norway and the Union of South Africa protested that they had had no time to study the report and resolution or communicate with their governments. It was agreed to adjourn to the following afternoon.

The Canadian delegation at once cabled the resolution and their own views. That telegram was received and decoded at ten o'clock in the morning and delivered to me personally at once. The procedure adopted left no opportunity for consulting my colleagues, as it was then three p.m. in Geneva, but I concluded, in view of previous discussions and the tenor of the resolution, that no material question would arise, and therefore directed that a cable be sent in reply authorizing the Canadian delegation to support the resolution. This cable was dispatched in an hour and a quarter after the cable from Geneva had been received and decoded in the department. I brought the question before my colleagues at the first opportunity. When the reports and the resolution based on them came before the assembly that afternoon the Canadian delegation gave its support. No formal vote was taken. The procedure adopted was a negative one, which seems to be growing in use at Geneva, of considering all delegations present as supporting, unless voting contrary or declaring that they abstain. Two of the delegations present, Poland and Siam, abstained. It will thus be seen that there was no delay whatever at Ottawa, and that the Canadian delegation at Geneva was entirely justified in declining to vote on a resolution on a matter of first importance without having had adequate opportunity to consult the Canadian government. No other course would be possible if the work of the league is to be taken seriously and if members at a distance from Europe are to take a considered and responsible part in its deliberations.

The second query has to do with the voting on a question of lesser importance, namely, the election of members of the council.

Members of the house will recall that in addition to the permanent or great power members of the council, now reduced to Great Britain, France and Russia, and also Italy, which has announced its resignation, it is the practice to elect temporary members, usually for a three year term. Certain countries have developed claims in the past ten years to semi-permanent seats. Before any temporary member which is retiring can be considered for reelection the rules provide that it must obtain from the assembly a declaration of re-eligibility by a two-thirds vote. If successful it may then be a candidate for reelection. On the present occasion Spain and Turkey failed to secure the necessary majority for re-eligibility. The countries elected in place of Chile, Spain and Turkey were Belgium, Iran (formerly Persia) and Peru.

As to Canadian instructions, none were given on this occasion and none have been given for some years past. The full list of candidates is not known until the assembly is in session. I may add that information on every phase of the assembly agenda, to the extent of some hundred pages, was furnished the members of the delegation, and some points of special importance were discussed in council before the Canadian delegation left.

Following the vote the Geneva correspondent of an English paper telegraphed that the empire delegates had split on the question of Spanish re-eligibility; Canada, the Irish Free State, India and Egypt voting against Spain's re-eligibility, and the United Kingdom, Australia and New Zealand for it. This irresponsible statement was relayed to Canada by two Canadian correspondents in London, and in due course various editorials and resolutions appeared criticizing the alleged stand. Not one of the critics appeared to have stopped to consider whether the report could have any foundation, or what the league procedure was in such voting. The fact is that under article 2 of the rules adopted by the assembly for the election of non-permanent members it is provided:

> The assembly shall pronounce separately by secret ballot upon each request for re-eligibility.

I need only say that the correspondent who sent out this story had no information or facts whatever to base the story upon. It was an irresponsible cable, based upon guess or gossip. The Canadian delegation did not give any statement as to its vote.

I am not aware that any responsible country has ever made a statement as to how its delegation voted on a question which the league assembly had expressly provided should be balloted upon in secret. The secrecy imposed upon such balloting is a league regulation, not a Canadian decision. To break this rule because a Geneva correspondent sends out reports on subjects of which he has no knowledge would simply encourage the circulation of guesswork in the hope of provoking a denial or confirmation. For this reason, at the time the dispatches appeared, I felt it desirable and necessary to refrain from indicating how the Canadian delegation voted. I intimated, however, at the time that I thought it might be possible, in the event of the matter being brought up in parliament, to give to parliament the information sought. As the question has been asked, and a refusal to give the information requested might only lead to renewed controversy and misrepresentation of Canada's position, I have decided to inform the house what in fact was the action taken by the Canadian delegation in this case. I am not sure that in so doing I am justified under the league regulations. I hope however that my so doing may serve to emphasize the necessity for avoiding reckless news stories and unconsidered comment on questions which easily arouse acrimony and friction, and also do something to prevent similar incidents in future.

The Canadian delegation voted for the re-eligibility of Spain. The reasons why the Canadian delegation voted for the re-eligibility of Spain are very concisely set forth in a letter which I received from Senator Dandurand shortly after the vote was recorded. It is dated Brussels, November 10, 1937, and is as follows:

The Right Hon. The Prime Minister,
Secretary of State for External Affairs,
Ottawa, Ontario.

My Dear Prime Minister,

I have taken cognizance of the debate which has taken place in the Canadian press over the attitude of the Canadian delegation in relation to the request of Spain to be again allowed to present its candidature for a seat in the council of the league. The query repeatedly made to you bore on the vote which Canada gave on that question. You answered quite properly that the vote had been taken by secret ballot and that the public was not made aware of the way in which the various nations had recorded their will.

[Mr. Mackenzie King.]

I may say that to this date I am unaware as to the individual action of the members of the league. I do not know how Great Britain voted, nor the other members of the commonwealth, although I met them daily.

Since you stated publicly that you would give that information to parliament, if it were asked and if you were allowed to by the rules governing the assembly of the league of nations, I have no hesitation whatever in informing you that the Canadian delegation voted in favour of the re-eligibility of Spain, for the following reasons:

1. When Spain expressed in 1926 its intention of withdrawing from the League of Nations, if the assembly did not allow her a permanent seat in the council, it was suggested that an opportunity would be afforded of obtaining election to a non-permanent seat, with the right of re-eligibility on a two-thirds vote. Two years later, in 1928, the same procedure was proposed again. In order to secure the collaboration of Spain in the work of the league, a resolution to that effect was carried in the assembly by a vote of 44 to 5. Canada supported the resolution.

2. Because the Canadian delegation did not feel that the calamity of war in Spain could justify the members of the league to inflict upon this unhappy country the further humiliation of the loss of its seat in the council;

3. Because the Canadian delegation had solely Spain in mind, without asking themselves what government would represent her, to-day or to-morrow, in the assembly and in the council;

4. Because the Canadian delegation could not take sides for one faction or the other, as Canada had faithfully followed the policy of non-intervention in the affairs of Spain.

The sole duty of the Canadian delegation was to think of Spain as an entity, without interfering in its domestic quarrels.

Yours very faithfully,

R. Dandurand.

LANSDOWNE, ONT., POSTMASTERSHIP

Mr. STEWART:

1. Was the postmaster at Lansdowne relieved of duties within the last year?

2. If so, what were the reasons for his dismissal?

3. Upon whose recommendations was the appointment of the present postmaster made?

Mr. EULER:

1. Yes.

2. The postmaster tendered his resignation.

3. Canadian Legion and D. E. Lewis.

LANSDOWNE, ONT., RURAL MAIL ROUTES

Mr. STEWART:

1. What are the names and addresses and the amount of tenders of the parties who tendered for current mail service on each of the following rural mail routes,—1, 2 and 4 Lansdowne, Ontario?

2. What is the name and address of the contractor for each of said routes?

3. Was the contract awarded to the lowest tenderer in each case?

4. If this course was not adopted, why was the contract not awarded to the lowest tenderer in each case?

Mr. EULER:

1. Route No. 1—

Stanley Beseau, Lansdowne	$700
Harry Hunt, Lansdowne R.R. 1	720
Route No. 2—	
Wm. Edward Funnell, Lansdowne	500
B. J. Middleton, Lansdowne	580
Mark A. Fodey, Lansdowne	600
Jas. Henry Moxley, Lansdowne	625
Ford Gray, Lansdowne	650
W. A. Slack, Lansdowne	750
Route No. 4—	
Benedict Fodey, Lansdowne	790
Orville Clark Grier, Lansdowne	888

2. Route No. 1—
Contract awarded to Stanley Beseau, Lansdowne.

Route No. 2—
Contract awarded to Mark A. Fodey, Lansdowne.

Route No. 4—
Contract awarded to Benedict Fodey, Lansdowne.

3 and 4. No—In the case of route No. 2, the tender of W. E. Funnell was passed over for the reason that he already held the contract for Lansdowne rural route No. 3 at the rate of $625 per annum.

B. J. Middleton's tender for route No. 2 was passed over following the receipt of an adverse report.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE COMMISSION—EMPLOYEES AND SALARIES

Mr. BRUNELLE:

1. What is the total number of employees of the civil service commission including the commissioners?

2. What is the total amount paid in salaries?

3. What is: (a) the number of permanent employees of said commission and total amount of their salaries; (b) the number of temporary employees and total amount of their salaries; (c) the salary of the commissioners and length of their term of office?

CANADIAN LIFE INSURANCE COMPANIES

Mr. POOLE:

1. How many life insurance companies are there in Canada?

2. How many are operating under federal charter?

3. How many are operating under provincial charter?

4. How many are international companies?

5. How many policies have been dropped since 1929, in each company?

6. How much money was lost by the previous policy holders?

7. What profits were made by each of the companies?

8. How many executive officers are there in each of these companies?

9. What salary is paid to each of these executive officers?

CANADIAN FARM LOAN BOARD—LOANS BY PROVINCES

Mr. REID:

1. What was the amount of loans placed by the Canadian farm loan board in the various provinces of the dominion during the calendar year 1937?

2. How many applications for loans were made during 1937 in the province of British Columbia, and how many of these were granted in the said year?

Mr. DUNNING: Return tabled herewith.

CANADIAN NATIONAL RAILWAYS—MILEAGE OWNED AND CONSTRUCTED SINCE 1925

Mr. LALONDE:

1. How many miles of railway does the Canadian National own in each of the provinces of the dominion?

2. Since 1925, inclusive, how many miles of railway have been constructed in each of the provinces of the dominion by the Canadian National Railways, or by companies it controls, and what was the cost of each line?

COLONEL J. L. REGAN

Mr. BETTS:

1. Was Colonel J. L. Regan retired from the Canadian permanent force?

2. Was he granted a militia service pension; and, if so, how much?

3. Why was he retired and pensioned?

4. Was the pension computed upon the rates of pay and allowances which he drew as an officer of the overseas militia force of Canada or upon his rates of pay and allowances as an officer of the permanent active militia?

5. Was the said Regan at any time since November 1, 1935, in the employment of or in any way connected with the service of the Department of National Revenue?

6. Is he now in such employment; and, if so, what are his duties, and what remuneration does he receive?

PENSIONS APPEAL COURT

Mr. MacNEIL:

1. How many appeals were pending consideration by the pensions appeal court as at December 31, 1936, in the following categories: (a) appeals by the crown from the quorum pensions commission; (b) appeals of applicants from quorum pensions commission; (c) other categories?

2. How many appeals were filed with the appeal court during 1937 as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?

3. How many appeals were heard by the appeal court during 1937, as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?

4. How many appeals were allowed in 1937, as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?

5. How many appeals were disallowed in 1937, as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?

6. How many appeals were referred by the appeal court to the pensions commission in 1937: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?

7. How many appeals were awaiting consideration by the appeal court as at December 31, 1937: (a) appeals of crown from quorum pensions commission; (b) appeals of applicants from quorum pensions commission; (c) other categories?

MOTIONS FOR PAPERS

RIVERPORT-NORTH LA HAVE, N.S., MAIL SERVICE

Mr. MASSEY (for Mr. Brooks):

For a copy of all letters, correspondence and other documents of any kind, in the possession of the department, dated within the past three years, relating to the mail service between Riverport and North La Have, in the province of Nova Scotia.

NEW ROSS CROSS-FORTIES, N.S., MAIL ROUTE

Mr. MASSEY (for Mr. Brooks):

For a copy of all letters, telegrams, correspondence and other documents in the possession of the department, dated within the past two years, relating to the rural mail route between New Ross Cross and Forties, New Ross, in the province of Nova Scotia.

BRIDGEWATER, N.S., POSTMASTERSHIP

Mr. MASSEY (for Mr. Brooks):

For a copy of all letters, corespondence, telegrams and other documents, including therein the civil service examination reference, and generally, all documents of any kind and description, relating to the dismissal of E. W. Walker, postmaster at Bridgewater, Nova Scotia, in the year 1937, and the appointment of his successor.

[Mr. MacNeil.]

STE. GENEVIEVE DE BATISCAN, QUE., POSTMASTERSHIP

Mr. BRUNELLE:

For a copy of all letters, telegrams and other documents in the possession of the Post Office Department, dated from October 6, 1936, to date, with respect to a charge of political partisanship made by Willie St-Arneault against postmaster J. A. Bouchard of Ste. Genevieve de Batiscan, county of Champlain, and also relating to the investigation which followed, and its results.

Motion withdrawn.

RELIEF ADMINISTRATION—FEED, FODDER AND FOOD PURCHASES

Mr. PERLEY:

For a return showing, the names, addresses, occupation or business of persons or firms employed in connection with relief administration, as agents, commission merchants or otherwise, in the purchasing of feed and fodder in the province of Manitoba and in the state of Minnesota, and the amounts paid to each such person or firm.

Mr. PERLEY:

For a return showing,—

1. The quantities of cheese, beans, fish, fruit, vegetables, hay, fodder, feed and seed grains and other products, purchased directly or indirectly and shipped by the government into Saskatchewan, Alberta and Manitoba for relief purposes, between the first of July, 1937, and the present date.

2. The names, addresses, occupations or business of persons, firms and corporations from whom such goods were purchased, with the quantities and value of such purchases from each person, persons, firm or corporation, showing prices paid and the points of delivery to the government and points of distribution in the said provinces.

3. The total purchase price of such material.

4. The amount paid for freight on each class of goods.

5. The total cost of storage and handling at points of shipment.

6. The total cost of handling and storage at destination.

7. Cost of reshipment, including handling and freight from first destination in Saskatchewan to final destination.

8. Names, addresses and amounts paid to all persons engaged in: (a) dividing up and reparcelling each class of said goods; (b) distributing such goods; (c) warehousing.

9. Total amount paid for demurrage, and to whom.

10. The final points of shipment from which such goods were distributed.

11. The area described by municipalities or otherwise, within which such goods were distributed.

12. If such goods were distributed to those on relief only, or to the population in general.

13. The total cost of such shipment.

14. From what vote this money was paid.

15. The amount obtained by governor general's warrants for the purpose of providing for the costs of this distribution.

16. What amount of each class of such goods was produced in Saskatchewan in the year 1937.

17. What amount of each class of such goods was imported into Saskatchewan from other provinces of the dominion, and from outside Canada, in the year 1937.

18. The part the government played in the distribution of free goods contributed by persons, firms and corporations, to Saskatchewan, and the quantities of such goods handled or distributed by the government or any official thereof.

19. The points in Saskatchewan where final distribution of such contributed goods was made.

20. The instructions given officials of the dominion government in Saskatchewan with respect to the distribution of: (a) goods purchased and supplied by the dominion government; (b) goods supplied by voluntary contribution.

Mr. MACKENZIE KING: I imagine the Minister of Agriculture (Mr. Gardiner) would like to have a look at this motion, and in the circumstances perhaps my hon. friend would not object to it standing for a few days.

Mr. PERLEY: That is quite all right.

Motion stands.

ILE AU HERON BIRD SANCTUARY

Mr. WERMENLINGER:

For a copy of all papers, telegrams, petitions, and all other documents in the possession of the government, Department of Mines and Resources, concerning an order in council passed on Wednesday, the 22nd day of September, 1937, establishing a bird sanctuary under the Migratory Birds Convention Act, chapter 130, R.S. 1927, to be known as "Ile au Heron" bird sanctuary in the area including that portion of the St. Lawrence river from Victoria bridge to the westerly intake of the Montreal Light, Heat and Power plant, which lies approximately opposite the easterly limit of the Caughnawaga Indian reserve, and covering the area where hunters, fishermen and boat owners who live in Verdun, Point St. Charles, Laprairie, St. Lambert, Cote Ste. Catherine and La Tortue are prohibited at all times, within the said sanctuary, to exercise the above-named sporting recreations.

NIAGARA RIVER BRIDGES

Mr. ESLING (for Mr. Church):

For a copy of all telegrams, correspondence and other documents exchanged between the government of Ontario, or any other persons, and the dominion government, with respect to the construction or reconstruction of new bridges across the Niagara river, between the years 1923 and 1930, or in reference to the observation bridge that was destroyed, and the removal of same as a menace to navigation.

NATIONAL REVENUE—REFUNDS OF TAXES

Mr. MASSEY (for Mr. Betts):

For a return showing, all refunds, rebates or remissions, on account of direct or indirect taxation of any kind, made by the Department of National Revenue since November 1, 1935, and in each case the amount involved, the person to whom such amount was paid, and the agent acting on his behalf.

Mr. ILSLEY: Mr. Speaker, I would prefer not to have the house pass this motion, at least not to-day. There are some very obvious objections to the motion, one of which is the time and expense that would be involved in preparing such a return. If the motion does pass this house I will ask that it be amended so as to cover a period of two or three years before November 1, 1935, as well as the two or three years after that date, but while I am getting the information as to the time and expense involved perhaps this motion might be permitted to stand.

Motion stands.

PUBLICATION "EMPROS"

Mr. MacNEIL:

For a copy of all correspondence, instructions and recommendations, relating to action by the Department of National Revenue in refusing importation into Canada of the publication "Empros."

INDIAN "POTLATCH"

Mr. COLDWELL:

For a copy of all papers, communications and other documents received by, or sent from, the Department of Indian Affairs from or to any person or persons in connection with the custom known as "potlatch" among the Pacific coast Indians during the years 1935, 1936 and 1937.

SALE OF SOREL SHIPYARDS AND ST. LAWRENCE DREDGING FLEET

Mr. PELLETIER:

For a copy of all letters, documents, telegrams, correspondence, agreements of sale or negotiated agreements and other legal documents, in the possession of the government concerning the sale of the Sorel shipyards and the St. Lawrence dredging fleet to the General Dredging Contractors Limited.

Mr. HOWE: Mr. Speaker, this duplicates a return ordered for the hon. member for Quebec West and South (Mr. Parent) a few days ago. However, both orders can be complied with by the one return.

WESTERN DROUGHT AREA

DESIRABILITY OF WATER CONSERVATION, IRRIGATION AND OTHER PROJECTS FOR REHABILITATION

Mr. M. J. COLDWELL (Rosetown-Biggar) moved:

That, in the opinion of this house, the government should place before parliament at an early date plans, or proposals, for a comprehensive and authoritative survey of water conservation, irrigation possibilities, and other feasible projects for the permanent rehabilitation of the drought stricken area of western Canada and its people.

He said: Mr. Speaker, may I first remark that the resolution asks not for the actual undertaking of large scale irrigation projects, but for the consideration of the appointment of an authoritative committee to look into the feasibility of such projects in western Canada.

From time to time in this parliament conditions in western Canada have been outlined, and if further proof were needed of the extent of the disaster which has befallen not only the western provinces but the entire dominion, it could, I think, be found in the submission of the Saskatchewan government to the Rowell commission. Two or three years ago it was quite usual for some public men to pass off conditions somewhat lightly by saying that one or two good crops would meet the situation. I do not think anyone familiar with conditions existing there to-day would contend that one or two crops would meet that situation.

During the past summer the Minister of Labour (Mr. Rogers) and the Minister of Agriculture (Mr. Gardiner) drove over the major portion of the drought area. I drove over it at that time, and again this fall. The picture of devastation one saw was almost indescribable. If one enters Saskatchewan at the southern boundary, from the United States, or at the eastern boundary from the Manitoba border, and drives right across into southern Alberta; thence north to a point just east of Edmonton, thence in a southeasterly direction to about where the main line of the Canadian Pacific railway crosses the Manitoba border, and thence through southwestern Manitoba, he gets an idea of the appalling condition and the huge territory affected by the drought—mile after mile of burnt up vegetation in the summer; mile after mile of black Russian thistle in the fall, a picture which in my opinion is comparable only to that presented by one of the great deserts to be found elsewhere in North America. Indeed, driving over the desert last summer in the state of Washington, where the Grande Coulee irrigation project was being carried out, I could imagine myself in Saskatchewan, except that the vegetation was sage-brush instead of Russian thistle.

Because of this condition, in recent years there has been a disposition to look into the records, and to inquire if this great western country in past days has been subject to periodic droughts. I have read the reports, as no doubt have other hon. members, of the explorers who crossed the great plains during the middle of the last century, and I have noticed particularly the records left by Captain Palliser and Mr. Hind. These records indicate that in those days there had been prolonged and disastrous dry periods.

For example, at page 11 of his report, Captain Palliser says this:

After leaving the eastern limit of the country that is within the influence of the mountains the south Saskatchewan flows in a deep and narrow valley through a region of arid plains devoid of timber or pasture of good quality. Even on the alluvial points in the bottom of the valley, trees and shrubs only occur in a few isolated patches. The steep and lofty sides of the valley are composed of calcareous marls and clays that are baked into a compact mass under the heat of the parching sun. The sage and the cactus abound, and the whole scanty vegetation bespeaks an arid climate, but at the elbow the same arid description of the country was met with, and it seems certain that this prevails throughout the entire distance.

Then, at page 51 of the same report Palliser speaks of his arrival at Fort Qu'Appelle on September 13, 1858. On September 14, he started towards Moose Jaw creek, and in that connection makes this statement:

Our roads during the early part of to-day was mostly through a country moderately well wooded, over good land, well suited to agricultural purposes where there were also lakes and hay producing swamps, but towards evening, we began to observe symptoms that showed us we were again near the line of desert country, or northern extension of the North American arid basin.

Again, at page 52 of the report, September 15, 1858, he makes this statement:

Our course was due west and, as far as the eye can reach nothing but desolate plains met the views; at noon we reached a small creek called "the creek before the creek where the bones lie"; here we found water and some little grass, also a few willows and cherry bushes, but no wood fit for fuel. In the evening, reached the creek where the bones lie—

Probably that is where Regina now stands.

—where we found water and very little grass; a few willows also grew here, but no wood fit for fuel.

Then, farther down on the page he adds:

We reached the Moose Jaw creek where there was wood and water. Here our Indian, Nichiwa, advised us to bring wood for five nights along in our carts, and told us it was the last we should see between this and the elbow of the south Saskatchewan.

They camped several days later on Thunder Mountain creek, and again his comment of the neighborhood is made in these words at page 54:

The grass in this arid soil, always so scanty, was now actually swept away by the buffalo, who, assisted by the locusts, had left the country as bare as if it has been overrun by fire; even at the edge of Sage creek, we could obtain very little grass for our horses.

I need not quote more from Palliser's report, except to say that from the Elbow north he reports a wooded country, in his opinion well suited to agriculture. The description of the southern area is a description of what is now known as the drought area.

Another traveller, whose narrative is to be found in the parliamentary library, is Henry Youle Hind, M.A., F.R.G.S. He, too, explored the country in 1858, but took a more southerly route in Manitoba, and along the Souris river. At page 297 of volume I, Mr. Hind speaks of the grasshoppers, which usually accompany drought. He says:

Upon one occasion the whole heavens towards the south, east and west, appeared to radiate a soft grey-tinted light with a quivering motion, and the day being calm, the hum produced by the vibration of so many millions of wings was quite indescribable. The aspect of the heavens during the greatest flight we observed, was singularly striking. It produced a feeling of uneasiness, amazement, and awe in our minds, as if some terrible, unforeseen calamity were about to happen.

That was on July 2, 1858. Then, at page 338 he speaks of the difficulty of obtaining wood, and regrets that they carried none with them. He says:

No tree or shrub or even willow twig could be seen in any direction from our camp on the morning of the 25th.

He adds that they went supperless to bed and the customary breakfast of tea and buffalo meat was impossible. This, may I add, was the day after they left Moose Jaw forks. This description of the country before the white settler came would indicate that drought conditions were not unknown in the days when the prairie was covered with thick sod and prairie wool and when the subsoil moisture had not been depleted by the raising of heavy cereal crops. Then came years of settlement which, with intermittent but short dry periods, were years of fairly satisfactory rainfall. Because of this, the dangers ahead were not recognized by governments or by those interested in the settling of western land.

It should be noted, however, that shortly before the provinces of Alberta and Saskatchewan were formed in 1905 the then premier of the Northwest Territories, Sir Frederick Haultain, who, I am glad to say, is still living, proposed that one province should be formed between the Manitoba boundary and the mountains. He wanted the new province to own and control its own lands and natural resources, and he particularly desired provincial control of southwestern Saskatchewan and southeastern Alberta. Sir Frederick desired to control these lands partly because he wished to retain them as ranching and grazing country. He did not consider them to be suitable for settlement, but a reading of the records would indicate that to a large extent those who wanted to open up these lands for settlement argued that it was the selfish interest of the ranchers that governed Sir Frederick's policy. There are members of this house, particularly the right hon. leader of the opposition (Mr. Bennett) and the hon. member for Melville (Mr. Motherwell), who will remember this controversy quite well.

At all events two provinces were formed and a new premier was designated for Saskatchewan by the federal Liberal government of the day. In the ensuing provincial general election Sir Frederick Haultain and his provincial rights party were defeated. Old timers in that part of Saskatchewan and Alberta continued to declare that the new settlers and homesteaders who came into that country to break the land would one day be faced with drought and be ruined. History seems to have vindicated their predictions to a regrettable degree. This dominion parliament must take the responsibility for the opening up of this territory for farming operations and, therefore, the rehabilitation of the area should also be a federal responsibility.

The cause of drought in western Canada is not hard to find. As someone said in this house during the debate on the address, it is primarily due to lack of moisture. I draw particular attention to that statement—a lack of moisture, not a lack of rain. In the days when the prairie plains were simply the haunts of Indians and grazing lands for herds of buffalo, the land was covered with short grass which made no great demand upon the stored up moisture in the subsoil. When the snow melted in the spring or when rail fell upon the natural covering, it slowly percolated through the tiny openings in the grass and down into the subsoil where it found storage space. This storage was assisted by the thick sod which from year to year formed and grew thicker,

thus holding the winter snow and minimizing surface evaporation. When the pioneer settlers took over this unbroken land they found beneath it a rich store of subsoil moisture that had accumulated in this way throughout the ages.

What water ran off at that time ran into depressions to form little sloughs, lakes or marshes, and these together formed a watershed from which through seepage and capillary action the level of the subsoil moisture was kept fairly constant just beneath the prairie sod, except in those periods of prevailing drought such as Palliser indicated in his journal. The destruction of this natural earth covering by the settler's plough and the sowing of crops, together with thick growths of weeds, made greater demands on the stored up moisture than the scanty precipitation could replace in a single year. Even in years of normal rainfall, in many areas the moisture was being used up at a greater rate than it could be replaced. Our western farmers have been accused of using the moisture and the chemical content of the soil at too great a rate, but I believe that as a class the farmers do not desire to deplete their soil which, if I may so put it, is their constant capital. However, what choice have they when long periods of high production at low prices failed to enable them to meet their obligations and the fixed charges of taxes, interest, and so on?

The very tilling of the soil has helped also to make the restoration of moisture more difficult. Soil deficient in vegetable matter sheds water quickly, particularly when it is a clay soil. When raindrops fall upon the fine prairie mulch they make a film which chokes for a time the pores of the soil and the result is the water runs off rapidly. Subsequent hot sunshine bakes the clay surface and cements it. I have studied some very interesting statistics gathered by the department of agriculture in the United States dealing with the loss of moisture through the growing of crops and by the formation of this surface film. In its natural state the prairie sod has millions of tiny openings made by little roots, sometimes made by insects and worms, and the water tends to percolate to the subsoil. But with the breaking of the sod, that was ended to a degree. Previously when the raindrops fell on the natural covering they were broken up and they percolated slowly into the subsoil beneath which they formed a reservoir of moisture for future growth.

I would emphasize that to-day that covering is gone, and the wind swept plains unfortunately are with us. All this would seem to indicate that if the west is blessed again with a wet year or even with several successive wet years the restoration of subsoil moisture will not be sufficient to withstand the inevitable dry years that will follow. Because of this in my opinion we must consider ways and means of watering the land and filling the empty sloughs and lakes in the drought region and thus restore the table level of subsoil moisture of which in these days we hear so much. Moreover the drought region is extending. This is to be expected, because the intense heat of the dry land dries up land adjacent to it, and the desert tends to extend. Wind erosion follows and dust and the blowing topsoil cause still greater disaster.

There are those who say that irrigation is not feasible because there is a lack of water. But wheat is a semi-arid plant which requires a minimum of moisture provided it receives that moisture at the right time. In several of the recent so-called dry years the annual precipitation has been sufficient to ensure a crop of wheat, but the crop failed because the moisture did not fall at the right time; the subsoil moisture was lacking to carry the crop along. Hence it is not a question of large quantities of water, but of being able to deliver at the right time to the growing crops the comparatively small amount of water often required. For this purpose I believe there is sufficient water in the rivers and streams of western Canada.

A friend of mine last summer, when the days were hot, stood near Saskatchewan landing and watched the south Saskatchewan, incidentally lower than usual, roll by. He told me that the river was in flood—not a great flood such as we have known in the past, but comparatively in flood—at a much higher level than normal last year, and flowing at about eight miles per hour in a channel one-quarter of a mile wide. He estimated that if the water were diverted it would cover many sections of land one foot deep within twenty-four hours.

Mr. STIRLING: What month was that?

Mr. COLDWELL: That was in July. I do not know how correct that estimate is, but I do know that vast quantities of water are flowing through the parched lands both from the North and South Saskatchewan rivers to the Arctic seas without being utilized in any way whatever. I have endeavoured to discuss these matters with engineers and others who have looked into the problem; I have gone carefully over the contour maps of the dried-out area, and as a layman I would say that wide-scale irrigation seems to present

no insuperable difficulties, either physical or financial, on the northern side of the Missouri-Coteau divide. True, some damming might be required, but the height of the land over which the water would have to flow from, let us say, the South Saskatchewan, near Riverhurst, down to the Moose Jaw area, across the Regina plains and down to the Souris at Weyburn, presents no formidable difficulties in these days of scientific engineering.

I have read that someone has suggested that any necessary pumping might be done by windmills; for the wind blows almost continually across the great plains. When I remember that windmills have been in operation for centuries in Holland, pumping water over dykes and out into the sea, I see no reason why equally cheap power should not be pumped from dammed rivers of western Canada over such heights of land as may be necessary to water at least a large part of these great plains. Electric power might be generated and utilized partly for this purpose. The valleys of both the Saskatchewan rivers lie between great banks and there are several places where dams could be conveniently located and power generated if desired. If it were necessary to divert some water from the North to the South Saskatchewan river, and to supplement the latter, irrigating the intervening county as it flowed, I believe that could be done.

Many people conceive of such channels being long straight cuts across the prairies, through hills and valleys; but that is not at all necessary. There are depressions running north and south and east and west which could form the basis for channels to be cut, and these could wind across the countryside following the line of least resistance and the most inexpensive engineering practice. The Kindersley, Rosetown and Biggar territories might be benefited in this way.

I have been told by engineers that dams placed at intervals on the South Saskatchewan, south of Saskatoon, to the point at which the Red Deer joins the South Saskatchewan in Alberta, would impound sufficient water to give moisture to the whole of central and south eastern Saskatchewan. I do not know. But that is something we should, as a parliament, find out. The little sloughs and large lakes now dry could be filled, and the table level of subsoil moisture raised again to its old level, while in many years an inch or two of water on the parched land at the right time would ensure a bountiful return for the labour expended.

Schemes like these should be investigated. I want to say quite frankly that as a layman I am not in a position to say whether such schemes are feasible or not, and I therefore deprecate definite statements made by other laymen that irrigation is an impossibility in western Canada. I have heard persons who, I am quite sure, know no more about this subject than I do, make the definite statement that all these schemes are quite impracticable. I am willing to admit that personally I do not know, but with the knowledge that I have I am persuaded that it is worth investigating. There are those who hold that a scheme of large-scale irrigation would involve an expenditure of $400,000,000. Personally that would not frighten me when I remember that we have spent more than $100,000,000 in recent years in agricultural relief, and have nothing to show for it, to say nothing of the enormous losses due to crop failures. But I am persuaded that for one-tenth of that $400,000,000 expenditure which some people have suggested would be necessary, dams could be built along the South Saskatchewan that would irrigate several million acres of good agricultural land. The larger scheme could, if necessary, be completed over a long period of years. When I see the puny efforts being made in western Canada, and contrast them with the great projects I have seen in the United States or read about in India or Africa, I realize that we should investigate thoroughly the possibilities of irrigation in our own country.

Last summer I went down into the United States and visited several of the great projects there. I went to the Fort Peck dam in the state of Montana, which is not, primarily, of course, an irrigation project but rather a flood control and power project, with irrigation as incidental to them both. There I saw an earth dam which will rise 240 feet above the river bed, the length of its main section across the river valley being 9,000 feet. The dam will contain approximately 105,000,000 cubic yards of earth, 1,600,000 cubic yards of rock, and 4,000,000 cubic yards of gravel. The great reservoir to be created by this dam across the Missouri river will store over 19,000,000 acre-feet of water. It will have a maximum surface area of 245,000 acres, and will be 180 miles long, with a maximum width of 16 miles. This will be one of the great new projects of North America. It will cost $100,000,000 and give employment to thousands of men who otherwise would be unemployed. Even the damming of either of the Saskatchewan rivers would be a relatively small affair compared to this.

Mr. DUNNING: How much land will it irrigate?

Mr. COLDWELL: I said that it is primarily not an irrigation project, but it will irrigate, as time goes by, large sections of a country which is much more difficult to irrigate than our prairie country. As the minister probably knows, it is situated in a hilly, semi-mountainous country, somewhat like our foothills, and the project is not primarily an irrigation project. It illustrates how vast quantities of water may be stored.

Mr. DUNNING: But there is plenty of prairie down below.

Mr. COLDWELL: Yes, and that would be irrigated. I saw the American projects around Malta, Montana, and drove from the arid prairie into a veritable garden of Eden, as did the Minister of Agriculture (Mr. Gardiner) and the Minister of Labour (Mr. Rogers) just a few days before I arrived there. I then drove on across the mountains and saw another project in the state of Washington, where a desert looking very like our prairie will be watered by the Grande Coulee development from the Columbia river. There they are going to irrigate several millions of acres of desert country. These are giant undertakings, and from an examination of contour maps on both sides of the line I am convinced that irrigation projects on the great Canadian plains are relatively small when compared to these.

There are those who criticize such proposals on the ground of expense, but the alternatives are too terrible to face. Either we shall have to keep thousands of people on almost continuous relief or remove them from the lands they now occupy. Railways have been built to open up these territories and to serve communities established along the way. Men and women have built their homes there and unless we can rehabilitate this great area they face utter ruin. Schools and churches, with the usual business necessities, have been established and will have to be abandoned. The effect upon the economic structure of all Canada will eventually be profound, for eastern industry has as much interest in this rehabilitation as have the people who live there to-day. Rehabilitation of the country would not only rescue the people from poverty, misery and relief but would make available lands upon which thousands of our young people might establish homes, and might live, under proper conditions, in comparative security.

I am suggesting then that an investigation be made to see if any of these projects are feasible and that large scale irrigation if feasible should be undertaken as a national plan and as a national responsibility. There are those, as I have said, who will lift their hands in horror at the proposed expenditures; some will call them handouts to the west. But in days gone by much larger handouts of these very lands were made by the federal government to powerful interests and corporations whose headquarters were located in our eastern cities. What a wonderful gift it was. The inalienable right in perpetuity to this land was given to corporations who, without regard to surface or soil analyses, turned them over to hardy pioneers whose efforts turned them into farms, but whose obligations caused them to deplete the rich reserves of moisture and chemicals that nature had stored through bygone years.

In recent years great irrigation schemes have been brought to successful conclusion in other parts of the British empire. British engineers have watered deserts in Africa and India; in the province of Sind in India the Lloyd barrage is one of the wonders of the world. When that scheme to utilize the river Indus is fully developed it will water 7,500,000 acres and bring security in a land where the desert has made life uncertain and caused suffering to many millions. Of the great projects in the Sudan and in northern Africa I do not propose to say anything at the moment, because I have not the time; but in North America, in India and in Africa, American and British engineers have, after careful surveys, watered the deserts there, giving economic security and crop certainty not only to those who till the soil, but to millions who depend on the products of that toil for their subsistence.

My resolution does not ask the government to undertake any such projects, but to obtain an authoritative survey in order that we may know whether such a scheme for western Canada is scientifically feasible and economically sound. My suggestion now is that such a committee should consist, not of departmental officials whose ideas have perhaps been moulded to some extent by the political environment in which they find themselves, but rather of authorities such as engineers who have been connected with one or other of the great projects to which I have alluded. If it were possible, an engineer in charge of the Indus development, an engineer who has had charge of the Sudan development, an American engineer connected with one of the great projects in the United States, and a Canadian engineer of outstanding ability in this direction, or any two or three of them, would make a commission whose authority and standing could not be questioned. My objection to what has been

said throughout the country regarding irrigation, both for and against, is that it is being said by laymen, men often filled perhaps with political prejudice and not equipped to give authoritative judgment upon matters of this description.

I have not dealt with the power which could be developed by large-scale irrigation schemes, but in my opinion that would electrify the whole of the Canadian northwest, bringing new comfort and power to the people who live there in this age of electricity. Moreover, in mixed farming areas, it would enable farmers to refrigerate their dairy and meat products and do much to improve the standards of Canadian farm produce on the markets of the world. For these and other reasons, which will no doubt be brought out by other speakers, I urge the adoption of the resolution.

I believe that the time has come when we have to consider this problem of the rehabilitation of western agriculture on a much larger scale than anything we have thought of doing up to the present time. I do not want to emphasize the misery and want and difficulties that face the people; I do not want to emphasize the hopelessness for the children who now live there, the difficulties in schools and the condition of teachers, all of which are due to the long periods of economic disaster and crop failure in that country. But I believe that we shall not be doing our duty if we simply say that these proposals are not feasible or if we say that the rain will fall again and the crops will grow. The history of the western country shows clearly that throughout the years that have gone by there have been from time to time long dry periods as well as wet ones, and if we have a wet period coming now we are sure it will be followed by a period without sufficient moisture. We must face that fact. I am not asking the house to authorize any particular irrigation scheme, but rather to obtain the very best advice that it is possible to get wherever we may find it, anywhere in the world, in order that we may know whether large scale irrigation is feasible or not.

Mr. C. E. BOTHWELL (Swift Current): I am sure the hon. member for Rosetown-Biggar (Mr. Coldwell) will pardon me if I do not specifically follow him in his remarks. I am quite in sympathy with the tone of the resolution, but I am afraid that before I get through the house will judge that I am not able to go quite as far as the hon. member did. Nor do I entirely follow some of the arguments he has made. It is perhaps fortunate that to-day this same subject is under discussion in the legislature of Saskatchewan. On Thursday last a resolution was introduced by Mr. Stork to which an amendment was proposed by the provincial Minister of Public Works when the subject came up for discussion. The amendment rather appealed to me in the moderation of its terms. The amendment was:

> That this assembly expresses its gratitude for the appropriations made by the federal government in its general rehabilitation program and for the works begun and constructed in Saskatchewan for the conservation and utilization of water for irrigation and stock watering purposes; and further
>
> This assembly would respectfully request that sufficient moneys be provided from year to year so that detailed surveys of all watersheds not yet fully investigated be carried on with a view to facilitating the construction of all necessary projects found to be economically feasible, and also that the whole federal program be so extended and enlarged as to include the entire province.

Mr. DOUGLAS (Weyburn): Would the hon. member also read the motion?

Mr. BOTHWELL: The motion was as follows:

> That this assembly respectfully request the federal government to set aside an appropriation of at least $50,000,000 this year, to be used in investigation and completion of feasible water conservation, irrigation and other projects, directed towards the permanent rehabilitation of the drought area of this province.

This question of conservation of moisture in the prairie provinces and the rehabilitation of the farmers there perhaps goes back to the time mentioned by the hon. member for Rosetown-Biggar. The Palliser report and reports of the early surveyors in the prairie regions did express doubts as to whether, on account of the lack of rainfall, the great central plains region would be suitable for agricultural purposes. Back in 1901, in the territory which is now comprised within the boundaries of Saskatchewan, we had only about 100,000 people. Since that time, through continued years of sufficient moisture to grow crops, the influx of settlers became very great, until at the present time we have 930,000 odd in that area of Saskatchewan. From the early settlement down to 1929 the people who settled there were able to make a good living. They found the soil productive, and they were able to build roads, bridges, schools, government and municipal buildings, and all that sort of thing; and the debt of the province up to 1929 was more than represented by physical assets in the province. Since 1929, on account of the drought, the country has not been the finest place in the world to

live in, and the debts of individuals, municipalities and governments have mounted up tremendously.

By 1934 the dominion government realized that the taking of steps to rehabilitate that area had become a federal responsibility, and an act was later passed by the federal government under the leadership of the present leader of the opposition (Mr. Bennett) known as the Prairie Farm Rehabilitation Act. Moneys were appropriated under that act and an organization set up to see what should be done to rehabilitate the area. That work has been carried on ever since, more money being expended each year, under three heads —reclamation, conservation and rehabilitation. We believe that the experience gained in the expenditure of that money has taught those who are interested in the projects on the ground, as well as people generally throughout the dominion, that the work that is being done is well worth while, and we all hope to see the complete rehabilitation of that whole area.

I might say in passing that I think the Prairie Farm Rehabilitation Act had the support of every hon. member in the house, no matter what his political affiliations. The intention was that some form of organization should be set up under which we would be able by some means to reclaim lands that were drifting and blowing away; also that we should find a way to conserve the rainfall and prevent its being carried off in spring freshets. Farmers or settlers in areas that have suffered severely from drought conditions and whom the organization could not see means of rehabilitating in the area in which they were located could be moved to other lands where they would have a chance of making good. In connection with the work of this rehabilitation board the first major step that had to be considered was what had been achieved in the past by the methods followed. In that connection I think I should go back to the work done through the dominion experimental farm at Indian Head many years ago. There they developed the idea of summer fallow for the purpose of conserving moisture. The next step in the rehabilitation plan was the development of marquis wheat, practically eliminating, as it did, the frost hazard in those areas and moving a considerable distance north the limit of territory upon which wheat could be grown. Marquis wheat has now become the standard of quality in hard spring wheats throughout the world.

The next step came in Alberta, by the introduction of strip farming and trash covering of the soil for the purpose of conserving moisture. The objectives of the Prairie Farm Rehabilitation Act may now be outlined as follows:

1. Establishing of dominion experiment substations which are essentially outposts of the dominion experimental farms, set up under the rehabilitation program.

2. Organizing of agricultural improvement associations where individual farmers and ranchers organize for community activity, including establishing of strip farming and trash cover crop methods to control soil drifting, regrassing work and tree planting.

3. Reclamation stations established for the purpose of reclaiming land for agricultural use or of reestablishing a suitable grass cover on land which has been severely damaged by drought and soil drifting and has become a public menace.

4. Grass development for the purpose of determining improved methods of establishing grass on land subject to soil drifting.

5. Tree planting, including free distribution of trees and large scale demonstrations of field shelter belts.

6. Establishing of a fully equipped soils laboratory at Swift Current experimental station for the purpose of continuing investigations of soil moisture and soil drifting in the drought area.

7. Continuation of soil survey and soil classification in the drought area in cooperation with the provincial departments.

8. Large scale soil moisture conservation projects, including contouring, terracing and furrowing to determine the value of such work.

9. Agricultural economic survey throughout the drought area.

10. Financial assistance in reestablishing settlers now on sub-marginal lands and reseeding of these lands for community pasture purposes.

11. Assistance in developing a sheep and cattle policy in connection with sub-marginal lands developed for community pasture purposes.

12. Engineering and financial assistance to individuals and communities in building dugouts, stockwatering dams and irrigation schemes where feasible.

These are the objectives of the prairie farm rehabilitation board, and for the past few years they have been working along these lines. It is quite true, as the hon. member who preceded me has said, no person who has not seen the drifting areas of western Canada can appreciate just what they are like. Last August I circled through a stretch of territory where scarcely a green thing of any description was to be seen; with soil drifting, rolling all the time, even though scarcely any wind was noticeable. The experimental farm at Swift Current, with the assistance and perhaps under the direction of the Prairie Farm Rehabilitation board, experimented on about ten thousand acres of land scattered throughout that area in half sections. They used different methods in different places to find how they could control

this soil drifting, and they believe they have found a method of doing so. There is a large area, however, that has to be looked after. It extends perhaps from some place east of Swift Current to about Bassano in Alberta, south to the United States border, and north of the South Saskatchewan river as far as Lloydminster. Throughout all that area work has been done with the assistance of the experimental farms. One day last August, when driving along there were times that I could scarcely see the radiator of the car. I had to creep along the side of the road in case some other car might come out of the dust storm. Finally I came to a half-section of land just south of the railway track at Fox Valley where work had been done with the help of the dominion experimental farm. I thought the storm had gone down, that it was all over, but after I got past that half section of land I found the situation just as bad as ever.

There they had listed the west side of the land with a new machine called a lister, which throws up a heavy furrow. They had run this lister one trip across the half section, north and south, every eight rods. They found that they were able to stop this drifting by doing that—not necessarily every eight rods but possibly every twenty rods, depending upon the type of soil in which they were working. In discussing the matter with the superintendent of the experimental farm at Swift Current I was informed—and I presume it will be in his report to the department—that the territory comprised within the area I mentioned will have to be farmed in a way somewhat similar to that I have indicated, by using a lister or some machine that will do similar work. A cultivator properly equipped may and will do just as satisfactory work, and in the trenches dug by these machines they are able to conserve whatever moisture there may be.

In addition they believe that by a system of terracing throughout that area, with machines such as I have described, they will be able to conserve a considerable portion of the normal run-off water in the spring and also the rain that falls during the storms, of which we have a few even in the driest part of the area. In addition, under the Prairie Farm Rehabilitation Act they are encouraging farmers to put in dugouts, small irrigation projects and stock watering dams. According to my information, up to January 15 of this year over eleven thousand applications had been received from the three prairie provinces in connection with these small projects. Over half of this number, or over 7,100, were from Saskatchewan; 1,800 were from Manitoba and less than 2,500 were from Alberta. Over 820 of the applications received have been cancelled, rejected or dropped, leaving over 10,500 active applications, in addition to hundreds of letters that are receiving attention. Of these applications approximately 5,500 have been authorized or approved for construction, and of these nearly 4,300 have been completed or reported completed.

That is not going to solve the whole difficulty in that country, but the prairie farm rehabilitation board and the officials of the experimental farms have encouraged the farmers to form agricultural improvement associations in various parts of the province. To-day something over one hundred of those agricultural improvement associations have been formed. The object of that is to get the farmers who are interested in a particular district together so that they can discuss their difficulties and in unison work out some plan whereby not only the individual but also the whole community will be assisted. It is believed that more can be accomplished by getting the people on the land to work together to assist themselves than can be done by any widespread government expenditure of money.

In addition to the conservation of moisture in dams, dugouts and small irrigation projects, the terracing of land, the use of the lister and that sort of thing, they have worked out a scheme whereby the lands that are not properly arable will be taken out of cultivation. In the province of Saskatchewan we have, I think, about 30,000,000 acres of broken land. In 1936 there was something over 22,000,000 acres actually seeded, and an area about one-third that size would be in summer fallow, which would bring the total to around 30,000,000 acres. It is authoritatively stated that large scale irrigation projects in that province cannot take care of more than 1,500,000 acres.

Mr. DOUGLAS (Weyburn): I am very much interested in what my hon. friend is saying. Would he state his authority for that figure?

Mr. BOTHWELL: My authority is the engineers in Regina who are interested in the work. It has been so stated by the chairman of the board and also by the Hon. Mr. Spence, who I believe is the liaison officer between the board and the federal government. Then, I have personally discussed the matter with engineers, particularly Mr. McGavin of the water rights branch in Regina, and Mr. Russell, chief engineer on the rehabilitation program. Although a complete survey of all possible projects has not yet been made, nevertheless

I believe these gentlemen are pretty well satisfied that large-scheme irrigation projects in Saskatchewan are not possible, because they estimate that the total amount of water obtainable there is only about 11,000,000 acre feet, and about a third of that will be lost in the process of irrigation.

Mr. MacNICOL: Can the hon. member tell us the flow in cubic second feet of the South Saskatchewan river?

Mr. BOTHWELL: No, I am not able to answer the hon. member's question, without making a search. I have the information, though. Then, in Saskatchewan the condition is different from that in Alberta, due to the fact that the land to be irrigated is higher than the water which would be used in irrigation, and the water would accordingly have to be lifted. In Alberta there is the possibility of tapping streams without the necessity of an expensive system of dams, and that water could be carried down to irrigate the lower lands.

While I am not opposed to irrigation projects, and while I believe that some projects are feasible—for instance, the one from Riverhurst mentioned by the hon. member for Rosetown-Biggar—may I point out that, as I understand the term, and from the hon. member's description of the size of the Fort Peck dam, no large scale irrigation projects are contemplated. A project may be feasible around Herbert, and there may be the possibility of another one near Vanguard, within territory with which I am familiar.

Some of these irrigation projects may be feasible, and possibly should be constructed. But we are still not taking care of all the area. In addition to that, a considerable amount of land within the area should not be used for agricultural purposes—that is, should not be used for farming purposes. At the present time there is a plan to have areas which should not have been broken thrown back into community pastures in an endeavour to have such lands covered with grass and made them capable of producing crops for the sustenance of range stock.

Real success has been achieved along these lines in the experiments carried out at the Scott experimental station within the last four or five years. That station particularly has been experimenting with different kinds of grasses, and they find that the crested wheat grass is possibly a solution to the difficulty of getting those lands covered with grass and putting them in a condition where they can produce feed for stock which may run there.

I was much surprised to find the extent to which crested wheat grass may be the salvation of the province. Tests have been made in the past five years at the Scott station with respect to both cattle and sheep. In 1937 an attempt was made through the use of cattle to determine the relative amount of pasture obtained from grasses. The pasture fields compared were native pasture, brome, western rye and crested wheat grass. In this series the crested wheat grass was sown on the higher land to give it a more rigid test. The animals were rotated on the fields. The fields were fenced separately, and the pastures were not overgrazed. The native grass gave ten cow days per acre; western rye mixed with alfalfa gave forty; brome gave forty-nine, and crested wheat grass gave fifty-eight. To state this in another way, the relative amount of pasture from these fields was, with crested wheat grass equalling 100 per cent, brome 84 per cent, western rye with alfalfa 69 per cent, and native pasture 17 per cent.

In connection with sheep the difference in the third year was still greater. The statement is made that when western rye was practically all dead and gave no pasture, brome provided 38 per cent of the pasture and crested wheat grass gave 62 per cent. Averaging the three years, crested wheat grass provided about half the pasture on the three fields in question, brome provided slightly over one-third, and western rye provided approximately one-fifth.

These are the views of the superintendent of the dominion experimental station at Scott, Saskatchewan. In his statement he says that crested wheat grass must possess a powerful root system, and goes on to say:

> After three years the sod from these grasses was ploughed. Western rye appeared not much better than a good grain stubble, brome looked much better, but crested wheat matched the best prairie sod.

Then, later on he says:

> Another institution has collected information which further illustrates the comparative sod forming value of these three grasses. The pounds per acre of root fibre in the top six inches of soil from these grasses which had been down for three years was found to be 1,795 pounds for western rye grass, 3,783 for brome grass and 5,079 for crested wheat grass. Furthermore, excavation of these root systems showed western rye roots penetrated the soil to a depth of sixty-four inches, brome sixty-five inches and crested wheat grass ninety-six inches.

It is believed by the superintendent at the Scott station that crested wheat grass, together with the conservation of moisture through the methods I have briefly described, will save a great part of the affected area. Then, by the small irrigation projects many farmers can instal on their farms they will be able to

grow from ten to twenty acres of alfalfa, which would tide them over in years of severe drought.

With these various methods it is believed that a continuation of the work now carried on under the Prairie Farm Rehabilitation Act would be more than justified. No tremendous expenditure of money would be required, although we will have to spend more than has been spent in any previous year. Much of the initiatory work has been done, and if we are to rehabilitate the area these projects will have to be carried out.

To illustrate what has happened I obtained from the experimental farm photographs of areas on which they have worked. About forty miles south of Swift Current, near Cadillac, there was drifting soil to such a degree that most people believed recovery impossible. They did not think it could ever be put back into grass. If one were to see pictures of the drifting soil, of buildings half covered with silted soil, and sand a foot deep on the land, and then look at pictures of the same piece of land with a crop of spring rye growing on it in the spring of 1937, he would be amazed. I quote from the descriptive matter in connection with one of these pictures having to do with the Cadillac reclamation area:

> Sufficient cover has been obtained to sow grass seed on the stubble. Rainfall during 1937 was practically nil. The methods practised enabled the growing of this crop.

Then there is a picture of a crop of spring rye which comes up to a man's knees. That was grown on a piece of land that had had a foot of moving silt on it. Down near Mortlach there is another area where the same condition of drifting soil existed. This area has been recovered. One field had been abandoned and had nothing but Russian thistle, tumbling mustard and prairie sage growing on it. A picture is shown of a stand of crested wheat grass on the same field. The caption under the photograph reads:

> Seed was drilled in among the weed cover without any cultivation in April, 1936. Seedlings same up in spring of 1936 but appeared to die off during the hot, dry summer that followed. In 1937 the plants revived, made a good growth and produced seed.

These are actual photographs taken on the ground, and they show just what can be done. These experiments were carried on by the experimental farm under the Prairie Farm Rehabilitation Act and they have demonstrated clearly just what is possible in the way of recovery and reclamation. The conservation of moisture by methods found feasible up to the present time, the saving of all run-off water in the spring instead of allowing it to run away as it has been doing, proper methods of cultivation in order to stop drifting, the establishment of stock watering dams and small irrigation projects, and the taking out of cultivation of the lighter soils which, as is now known, should never have been broken up, have all been demonstrated. We believe that with a continuation of the work that has been done under the Prairie Farm Rehabilitation Act and with possibly a greater expenditure of money from year to year than has been expended in the past, we shall be able to save all of the area referred to by the previous speaker, and which I have described as extending throughout a tremendous part of that prairie country. Later on in the session, when the estimates are being considered, I hope we will have an opportunity of considering the extension of this program which has been found so feasible for the west.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, generally speaking I find myself in agreement with the objects of this motion and therefore I shall support it. I would direct attention to the fact that the federal government have incurred a certain amount of responsibility for the conditions that exist to-day in the drought areas, because they were in charge of the natural resources of these provinces when the lands were thrown open for settlement in spite of warnings issued by prominent engineers and government surveyors that they were too dry for settlement. To-day we are reaping the tragic consequences of the policy carried out at that time. The hon. member for Rosetown-Biggar (Mr. Coldwell) has covered thoroughly this particular aspect of the matter, and I shall not take up the time of the house to go over the ground again.

Last fall I received a number of articles from England written by Mr. A. G. Street, a farmer journalist who some twenty years ago had resided for three years in Manitoba. Last summer he returned to Canada and made a tour of the west. He has been criticized severely for the gloomy and tragic picture he paints of the drought area, but, in my opinion it is no more gloomy or tragic than the actual conditions that exist in many parts of this area. Mr. Street referred to the methods of farming which had been followed in these areas in past years, and his comments in this connection have also been criticized. While I realize that some of his arguments may not have been well founded, as a farmer who has resided for some thirty years on the edge of the drought area I know that our methods have been at fault. This fact was

realized some three or four years ago by the government of Alberta when they tried by legislation to bring about a change in the methods of farming. They attempted to bring in a general policy of strip farming and trash covering and the sowing of a certain amount of land to grass. I would point out that while trash covering and strip farming may help to control the evil, they do not restore the fibre to the soil.

I agree with the resolution when it states that the government should consider cooperative measures to be adopted. This government should work in conjunction with the farmers of western Canada and encourage them to adopt a policy under which a certain percentage of the arable land of western Canada could be sown to grass. The federal government might give a subsidy or guarantee the price of wheat to farmers who are willing to sow a certain percentage of their land to grass. I realize that at first the amount sown would be quite small because of the lack of seed, but as time went on and seed became available it might be found possible to sow down twenty to twenty-five per cent of the land and keep it in grass over a period of years.

Such a policy would have a distinct advantage. First of all, it would tend to reduce the high peak of the volume of production. It would also tend to increase the low peak of production by putting fibre in the soil and thus preventing soil drifting. It would help to bring about a general stabilization of farming on the western plains. I believe that Mr. Street's articles have had at least one good effect; they will have been well worth while if they have succeeded in warning prospective immigrants in England of the dangers of settling in the drought areas of Canada. They will have been well worth while if they have succeeded in warning the people of England of the dangers of such plans as the Hornby scheme, which I consider to be nothing short of criminal folly if developed at the present time.

Generally speaking, I believe, the argument of the hon. member for Rosetown-Biggar has been sound, and I think the same can be said of the argument of the hon. member for Swift Current (Mr. Bothwell). However, in certain respects their arguments differ. I believe the reason for this is that the drought area of western Canada can be divided into two categories, the permanent drought area and the temporary drought area. It is possible that under the Prairie Farm Rehabilitation Act we may succeed in rehabilitating the temporary drought areas of Canada, provided the weather becomes normal again, but this policy is entirely inadequate to deal with the permanent drought areas.

I wish to deal more particularly with the permanent drought areas, since I am more familiar with them. The permanent drought areas of Alberta would take in that part of the province which lies in the eastern portions of crop districts three, five and seven. I refer to these parts of the province as permanent drought areas because of the fact that it has been necessary to give drought relief in certain of these areas every year since 1918, amounting to over $10,000,000 in the period from 1918 to 1935; and of course since 1935 a greatly increased amount has been paid out. The reason why drought relief was not paid out prior to 1918 was not that the country was not equally dry, but it was newly settled. These settlers came to that country with a certain amount of stock—the land was largely settled in 1910, 1911 and 1912. They were able in those days to run their stock on the open range; but as the land became more and more settled they found it necessary to confine their stock to their own holdings. It took anywhere from forty to fifty acres to maintain one head of stock, and naturally under these circumstances they were not able to maintain their families. Moreover, prior to 1918 there used to be a good deal of construction work carried on in western Canada, and it used to be the common practice for us to put in our little bit of crop and then take a contract on the railroad or some other work of the kind, from which we would make enough money to keep us for the rest of the year. But for a considerable number of years it has not been possible to do that.

I want very briefly to paint a picture of the permanent drought areas, and I do not intend to deal with the matter in an emotional way because I think the house is already familiar with the tragic conditions that obtain there. I should rather like to deal with it simply from the point of view of the facts as they exist.

In certain districts there has been a total abandonment of the land. You can travel for many miles without seeing any sign of habitation, not even a fence. The only thing to indicate that the land was once settled is that it is now covered with a short growth of Russian thistle, and every once in a while you will see a row of rocks running north, west, east and south, which represented many years of hard labour that brought little or no return to the men who did the work.

In other parts of the permanent drought area where the soil is of a better type you

will find a sparse population. The heads of families in that area are getting on in years. They have lost their youth and their capital; their plant and equipment is worn out. Their stock has been greatly reduced, especially since the restrictions placed on stock last fall by the federal government; and so far as house furnishings are concerned, in many cases they are non-existent. In spite of all that, you will find that the large majority of these people are still possessed of courage and grit and determination to make good, provided they are given half a chance. I do not believe that anywhere in Canada to-day there is a finer type of citizen than can be found in those drought areas—people who have courage and determination to stick, and are just waiting for an even break to make good.

What is the problem that confronts us? Is it the salvage of the investment of capital in that area? Is it the salvage of the population? Is it the salvage of the land? Or is it, on the other hand, the salvage of all three?

So far as the investment of capital is concerned, that is gone, wiped out. Already eight million acres are under the special areas board in the permanent drought area of Alberta, either through tax sales or through people walking out and leaving the land. So the capital is gone.

Next, there is the salvage of the people and the land, and of these two the most important is the salvage of the people, because the land can be salvaged later. In the salvaging of the people, however, it will probably be found most economical to salvage the land at the same time.

Then what is the solution? It appears to me, after studying this problem for many years, that we are faced with two alternatives: either we have to move a large proportion of that population out of the area, or it must be irrigated. I do not believe we can compromise on that question. Many people oppose the idea of irrigation at this time on the ground that there are in western Canada many lands in productive areas that could be made available and settled, and that we would not be justified in going to the expense of irrigation until such land has been settled. If that is the attitude which the government prefers to take, I would point out that the Prairie Farm Rehabilitation Act does not deal with this problem adequately enough. All they do is to make available free freight to the people in the area; but when people are at the end of their resources, when they are destitute, what good is it to tell them that they can have a box car to move out with unless they have somewhere to go? They have no money to travel around Canada looking for other land, or to maintain themselves, even if they found it, until they are in a position to be self-sustaining.

What we need, it would appear to me, is a progressive plan under which the federal government, or the provincial and federal governments working together, would make a survey of the area with a view to classifying the people into two divisions—those who want to move out, and who might have a reasonable chance of succeeding if they did, and those who wish to stay within the area and continue to raise stock.

Taking the first class, it appears to me that the first step would be for these persons to turn their land over to the government, and then for the government to compensate them for it. I say compensate them instead of pay them for the land, because the land has practically no value to-day. But because these people were encouraged to go into that area, and have put into it years of hard labour and received nothing in return, the government I think would be justified in compensating them for the work they have done. Then the federal government, working in conjunction with the provincial government, should seek to make agreements with the land-holding companies whereby the land could be sold over a term of years to farmers, making the payments sufficiently small to enable the farmers to make a living while at the same time paying for their land. This kind of approach to the problem might make it possible for the farmers who wished to do so to move out of the area. The lands so abandoned could be taken over by the special areas board, divided into economic units, and leased to the farmers who preferred to remain.

I pause to utter a word of commendation with respect to the fine work that has been done by the special areas board in Alberta in the past few years. I would point out that their program has been greatly curtailed owing to the lack of the necessary finances to carry on their work on a really progressive scale.

Coming back to the question of irrigation, personally I am not in favour of moving farmers out of the permanent drought area, mainly for the reason that in that area there is plenty of really good land. All that it needs is water. Secondly, within that area we have already established many services; we have towns and villages, roads and schools, and so forth. I think all we need in addition is water, and if we get that, we can yet make that a prosperous area.

Prior to 1921 there was a good deal of interest in and discussion of a large-scale irrigation project, and in 1922 a preliminary survey was made of what is called the North Saskatchewan project. It is generally known as the William Pearce project. The proposal was to divert water from the North Saskatchewan to the Clearwater and the Red Deer rivers, then take it down to Sullivan lake, where a storage reservoir of some million-acre feet would be formed; then carry it by the Eyehill creek and Sounding creek into Tramping lake in Saskatchewan. Below Sullivan lake approximately 470,000 acres would be irrigated and one million acres in Saskatchewan. Under the total project about 1,500,000 acres would have been irrigated and the total cost would have been $105,000,000. The cost, however, of carrying water from Sullivan lake to Tramping lake would have been excessive owing to the very sandy nature of the soil through which the water would have to be carried. It would have run the cost to about $70 an acre to irrigate the land in Saskatchewan, and for that reason the scheme has been generally condemned. On the other hand there is for Alberta a modified scheme known as the Sullivan lake project, which is believed to be thoroughly sound. Under this project the water would be diverted from Clearwater river and carried down Stauffer creek into the Red Deer river; then a dam fifty feet high would be placed below the mouth of Raven river and the water would be carried, by a canal 146 miles long, to Sullivan lake where 437,000 acres would be irrigated.

Mr. MacNICOL: Do the notes from which the hon. gentleman is reading give the number of cubic second feet that would be taken out of any of those rivers?

Mr. QUELCH: This is a survey that was made by the engineering department and it has been declared absolutely sound. The article is about five pages long and gives a complete description of the engineering features and the sizes of the various reservoirs. I shall be glad to pass it on to the hon. gentleman and he will get full information from it. It is a matter of engineering technique which I should not care to go into now. The areas irrigated below Sullivan lake would be 73,190 acres between Sullivan lake and Hanna; in the Berry creek area, 304,930 acres, and in the Monitor area, 49,240 acres. The total cost would be approximately $23,000,000. In addition to that, another 142,000 acres could be irrigated on the west side of the Red Deer river along Ghost Pine, Knee Hill and Three Hills, bringing the total cost to $27,000,000; and the total amount irrigated would be 580,000 acres.

The Minister of Agriculture (Mr. Gardiner), speaking in Alberta, said that the Sullivan lake project would cost $28,000,000; but at the time he must have been confusing the two projects, because according to the reclamation surveys—and that is the only record there is—the cost of the Sullivan lake project only would be $23,000,000 while the Sullivan lake project, plus the irrigation scheme on the west side of the Red Deer, would be $27,000,000.

I have discussed this project with the officials of the Department of Agriculture in Alberta, and they say that it is desirable. I have discussed it with the head of the water resources department, Mr. Charlesworth, and he tells me that from the engineering point of view the scheme is absolutely sound. That being so, what would appear to be the main objections? Well, once again we seem to have the same old bugbear; we have arrived at the same dead end that we have reached whenever we have discussed anything else of a progressive nature—the question of money: Where is the money to come from to finance a scheme of this kind?

We must remember that the existence of the drought area is not a local responsibility; it is recognized to-day as a national problem and a national responsibility, and as such it might well be financed under the proclaimed Liberal policy of currency and credit in terms of public need. The project should be carried out as a national responsibility without placing a capital charge against the irrigated land. If we were to try to recover the total cost of such a project by making it a charge against the land it would be absolutely impossible for the farmer to make a living and at the same time pay that charge, and no doubt that is the reason why many irrigation projects in the province have had their difficulties. They have failed owing to the high capitalization of the schemes.

This project is especially desirable in view of the fact that practically all the land which would be irrigated is already owned by the government under the special areas board, and therefore they would be in a position to divide the land into small economic units so that the farmer would have enough irrigated land to make it possible for him to grow feed and seed and to sustain his family.

I would imagine that in Saskatchewan it would be possible to put in similar projects in the area that might be classified as a permanent drought area, and we in this corner

shall be only too glad to support the motion in the hope that this government may find ways and means of carrying out progressive measures of the kind I have described.

Mr. T. F. DONNELLY (Wood Mountain): I find myself in accord with much that has been said this afternoon regarding the condition of the people in the dried out area of western Canada. I have listened with a great deal of interest to the discussion of the drought in western Canada and what can be done to bring about an improvement in conditions there.

The present state of affairs in western Canada is serious; it is one of the biggest problems facing the dominion to-day. The Minister of Agriculture (Mr. Gardiner) last year told us that the dried out area in the west represented one-fourth of all the land occupied in Canada, and one-fifth of all improved farm land in Canada. In other words the drought area covers about 18,000,000 acres of improved land and 35,000,000 acres of occupied land in western Canada. It is important to the lives of about one million people in Canada. In my opinion it is a greater problem than even the railway problem. The question what we are to do with this great drought area we have in western Canada is the big problem we have to solve.

In 1934 in the house I advised the then Conservative government to make a survey of drought conditions in that part of the country and to determine for themselves what they would do. One of two conclusions could be reached, either that it was possible to farm this land, or that it was not possible to do so. If it is not possible to farm the land then it is necessary to help the people to move out, and if it is possible for the people to live in that part of the country and to farm it, then they should be given instructions in the proper methods of farming that land, and shown how to cultivate the land so as to make a living in that district. That seemed to be the conclusion. Shortly after that the Conservative government put through a rehabilitation act and work was begun towards a survey of this country in an endeavour to rehabilitate some of our people there. I agree with much that has been said with regard to the condition in that part of the country, but I do not agree with the hon. member for Rosetown-Biggar (Mr. Coldwell) when he tells us what the cause of the condition there is.

Mr. DUNNING: Hear, hear.

Mr. DONNELLY: I beg your pardon?

Mr. DUNNING: I said, "Hear, hear."

Mr. DONNELLY: I have been farming for more than thirty years and I think I know something about agriculture. If you tell me that when you cultivate the land you prevent the water from soaking into it, that the water runs off, and that it soaks better into sod land than into cultivated land, then I must find serious fault with such a theory. I cannot agree with it at all. Any man who has farmed knows that after a rainfall, when you go and look at the sod you may find the water has soaked two or three inches into it, whereas if you cross the road and look at the cultivated land you will find that the water has soaked down eight or ten inches. That is the reason why our sloughs and dams and reservoirs have dried up; the water has soaked down into the cultivated land and has not been running off as it did when the sod was there. There is no doubt of that. We have been farming in order to conserve moisture, to allow the moisture to go down into the land and stay there as subsoil moisture. That is the object of summer fallow, deep ploughing. I disagree with the statement that the condition there was caused by cultivating the land and letting the water run away.

Since this rehabilitation act was passed the purpose has been to teach the farmers, to show them how they may ensure a crop in the dried out area, how they may seed their land and farm it in such a way that even in the drought area they may be assured of some crop, some return for their efforts. With this object one of the first things the government did in Saskatchewan was to make a soil survey. It was absolutely necessary to know what the land was. In the early days when the land was first taken up the price of wheat was good and people were anxious to get land; the land was offered free and people rushed in and took up any land they found available with the idea of cropping it for a few years, getting a few good crops and then perhaps getting out. Much land was taken up and farmed which never should have been taken, sub-marginal land. Now we find much of that land has been abandoned. This soil survey has been completed in Saskatchewan and at present an economic or agricultural survey is being made to discover the condition of the different farmers. That is being done in order to find out what should be done in the different districts. This survey has already been completed in some of the worst districts, but the whole province has not yet been covered. On a lot of this sub-marginal land the taxes have not been paid; the land has gone back to the municipalities and they

have turned it over to the provincial government and the provincial government in turn to the federal government. They are fencing that land and, as the hon. member for Swift Current (Mr. Bothwell) said, trying to get it into grass again. In Saskatchewan at present a great deal of land has been fenced and about twelve pasture areas, amounting to about 225,000 acres have been established. In Alberta some 595,000 acres have been fenced and pastured. Some buildings have also been built, dugouts, dams, reservoirs and corrals constructed, and up to date methods of cultivation adopted to produce proper pasture, with the idea of creating community pastures where the people, with the direction and assistance of the government, can raise better stock. We are helping the people to stock these pastures with better stock. This is being done both in Saskatchewan and in Alberta. Besides that, I understand it is the intention of the government to set aside a certain amount of these pastures as reserves, so that in dry years it will not be necessary to ship a lot of cattle out to Manitoba and districts in northern Saskatchewan, but it will be possible to keep them right there in these pastures which have not been pastured down. These are some of the things that are being done with these sub-marginal lands.

Then we come to soil drifting. For years most of us did not know what soil drifting was. I have been farming in western Canada for some thirty years, and for probably twenty-five years of that time we did not know what soil drifting meant. It is only in the last few dry years that it has become a problem. I believe that when we have rain again, as we hope we shall in the near future, we shall not be troubled with soil drifting. In order to combat and prevent soil drifting certain steps have been taken. One method is strip farming. If your farm is, say, half a mile long, you cultivate strips twelve to fifteen rods wide and put in a crop; on the next twelve to fifteen rods you will not have any crop but will let it stay in stubble, and so on alternately. This will prevent the soil from drifting. There is no doubt this has a certain beneficial effect. If you have a whole section in summer fallow, once it begins to drift at one end the drifting will spread over the whole field.

Besides strip farming we also sow grass seed in order to get back to grass. To help in this the government have started experimental substations, to the number of something like forty-seven, demonstrating the way to farm in order to prevent drifting. Also we have organized throughout western Canada what are known as agricultural improvement associations, of which we have some eighty-five. In these associations the people meet together to talk over their difficulties; they agree to follow the directions of the men from the experimental farms and substations as to the best way to farm the land. Also men from these substations are going out and sowing grass seed on the rough land, and broadcasting or sowing it with seeders on prepared land. They are sowing it with and without cover crops, with the idea of determining which is the best way to get the land back into grass. So far they are not sure which is the better way, but they make certain recommendations. The membership in these agricultural improvement associations numbers about 11,000 or 12,000 farmers, and to these farmers a certain amount of grass seed is given free for experimental work. During 1935-36 the government gave out, of crested wheat grass, something like 86,000 pounds; brome grass, 25,000 pounds; western rye grass, 8,000 pounds; sweet clover, 35,000 pounds; alfalfa, 7,000 pounds; alsike clover, 500 pounds; timothy, 1,000 pounds; reed canary grass, 500 pounds; cereal grains, 386,000 pounds, making in all 550,000 pounds of grass seed that they have given out freely to these people to sow.

In addition, certain areas have been taken over entirely by the substations in order to try to bring them back under cultivation. This is done where land has started to drift, continues to drift and has been forsaken and is drifting over good land in the immediate neighbourhood. Last year I had an opportunity of going out and seeing several of these areas and watching the work done, and I feel sure that much of this land will be brought back again in the near future and sown to grass.

Another thing being done relates to trees. Some of our theorists claim that trees bring rain, other people say that rain brings trees. Where we have trees we have rain, they say; others say that where you have rain you have trees. In the United States they are experimenting with tree planting. They are planting trees in rows six rods wide every mile for one hundred miles; that will be, as it were, one hundred patches six rods wide and a mile apart, extending from the Canadian boundary to the gulf of Mexico. I do not know if that will determine the question whether or not trees bring moisture; it is hard to say what will be the result over an area of that size; but if these trees grow, in the next forty or fifty years some of the people living then will be able to come to some conclusion on that point. I have often thought that if we on the plains had moisture we would have

trees; that it is the moisture which brings the trees and not the trees which bring the moisture.

Mr. DUNNING: Where we have more moisture in the west we have more trees.

Mr. DONNELLY: That is so. But there is just this I want to say with regard to that matter. Under our tree planting policy in the past, especially on the bald prairies, the short grass country, we have tried to concentrate on putting trees around a man's house. That may be a laudable idea but it has many faults. The place where the trees should be planted is the lowest land belonging to a farm. Invariably a man builds his house on the highest piece of land he has. Then, when he plants trees around his house he plants them on the highest piece of land he has. I believe that is the worst place to grow trees. In the late winter or early spring, as soon as the warm weather begins, you have a chinook; the snow melts; the roots of the trees are more or less exposed, and the sap goes up the trees. Probably the next day a frost comes along and the trees are split open and killed. On the other hand if the trees were planted at the lowest point on a man's farm they would gather snow around them; it would not melt off so quickly; the trees would not be subject to chinooks and to having the sap rise too soon, and then they would not be frost killed, as they have been in the past.

I also believe that we have been getting the wrong kind of trees. We do not want trees with roots which spread out on the ground; we want trees which have tap roots, so that the sap will not rise so soon, and they will not be winter killed as they have been in the past. I am not referring to the park section. I know there you can plant poplars, Manitoba maples and so on, and do well with them. I am referring to the dried out area, the bald prairie. In that section of the country we want trees with tap roots, and we want to concentrate on planting those trees at the lowest points of the farms, in order that enough snow may be collected to furnish sufficient moisture to produce a garden, thus enabling a man to raise his own vegetables more than has been the case in the past.

I want to refer more particularly to water conservation and matters of that kind, rather than to trees. The water we have to conserve, or the water we have in the province of Saskatchewan, is from three principal sources. First, we have the ground water, which comes to us by means of springs or wells. On the farm we may have a spring, an artesian well. We have some shallow wells and we also have some deep wells which go down 125, 200 or 250 feet. In some districts there is some irrigation by means of ground water, but not a very great deal. The next source is our rivers, or water that comes from the mountains, and in the latter case the water is almost continuous. We have our rivers, the South Saskatchewan, the North Saskatchewan and so on. Last of all, we have what we call our surface water, the run-off from the snow or rain, and in many districts that is the only moisture we have. That is practically the case in the district I represent.

With regard to my constituency I may say that practically speaking nine-tenths of the run-off goes into natural reservoirs, while the remaining one-tenth goes across the line into the United States. For example, we have Johnstone lake, Twelve Mile lake, Lake of the Rivers, Fife lake, Willow Bunch lake and others. These lakes have no outlets, or at least their outlets have not been in operation for the last twenty-five years. For all that, however, at the present time these lakes are absolutely dry. Where is our water for irrigation to come from? If you are going to have irrigation the first thing you must have is water. Where are you going to get that water? I have gone about from place to place in my constituency and told the people, "If you can show me any place where we can put in a dam I shall have an engineer come and look it over." Last year and the year before I travelled for about a month and a half, inspecting these various dams and reservoirs in Saskatchewan, and I know whereof I speak. We have had engineers in there to inspect these different locations, but our water is so slow in flowing and our channels are so deep that it is impossible to get the water out of them in order to do any irrigating. If you are going to do any at all, it is a pumping proposition. You must have pumps in order to get the water up so that you may use it.

As far as the hon. member for Rosetown-Biggar is concerned, I welcome an investigation into this matter if it will do anything to help us irrigate our farms and be assured of crops, but in connection with many places in that area I do not know how it is going to help in any shape or form. We have, however, small dugouts, small dams and small irrigation projects. These are small works, but so far as I am concerned in western Canada these are really the big things. These small things are what we should concentrate on, because in my opinion if Saskatchewan is depending for its future upon the land it is going to irrigate, then that province is just about through. We are expecting moisture

and better farming conditions to return. Small dams, small reservoirs and dugouts will be of some advantage to the people living on the farms when the moisture returns and when, as in the past, we have a reasonable amount of rain. But if we get rain, as we hope to in the future, and as we have had it in the past, our irrigation projects will not be of much use to us, although at the present time we may think they would be.

It has always been found, in every country, that when there are trying conditions the people yell for irrigation. All of them want irrigation. But the moment the dry time passes and moisture returns they forget about the irrigation project; the country must look after that project and keep it in shape. I am satisfied that the government should go slowly in the matter. Do not rush into it and spend a lot of money. Do not say, "We will spend millions; we will have it all fixed up. Our people will then be all right." We know it will not be so. I do not believe that would be the result.

One hon. member referred to a project in the United States. In the states bordering on western Canada I believe there are thirty-one of those projects, and they cost about $193,000,000.

Mr. DUNNING: Is that in Montana?

Mr. DONNELLY: Yes, and Idaho and Washington. Some of those projects are in preferred districts. There are irrigation projects in the state of Washington where they grow fruit, beets and things of that kind. Those are crops which yield high prices. It is not a question of growing grain. On irrigated land one might have six crops of alfalfa, one of beets, one of wheat, one of oats and one of barley. I believe the rotation is something like that. Those irrigation projects in the United States serve about 2,000,000 acres.

Mr. DUNNING: The whole bunch of them?

Mr. DONNELLY: Yes, all of them.

Mr. STIRLING: All the way to California?

Mr. DONNELLY: No, just in the states bordering on western Canada.

Mr. STIRLING: Only in Montana?

Mr. DONNELLY: No; there are some in Montana, some in Idaho, some in Washington and some in Oregon. May I repeat that they irrigate about 2,000,000 acres, but on those projects an amount of $157,000,000 is still owing. The people in those states were supposed to pay back the amount in ten years. They have cut off a certain amount from year to year; they have now reached the point where they find that the people are not able to pay, and there is a grave doubt whether they will ever pay. It has been found that the settlers could not establish themselves and also meet the payment charges.

The projects in the United States involved a long and difficult task. People over there say that not only is it a long and difficult task, but they add that it is a very hard matter to take a man from dry farming, place him on irrigated land and teach him how to irrigate it. It is said that the man who is brought from the dry farm to the irrigated farm is more liable to pray for rain than to pay for irrigation. That has been the experience across the boundary line in connection with some of their projects.

Reference has been made to the Fort Peck dam. That was a wonderful undertaking which took place just across the line from my constituency. That undertaking cost about $250,000,000.

Mr. DOUGLAS (Weyburn): No; $105,000,000.

Mr. DONNELLY: Well, I was told it was about $250,000,000.

Mr. DUNNING: It is not finished yet.

Mr. DONNELLY: As a matter of fact, it is not an irrigation project at all. They irrigate a little, but not very much. The idea behind the project is to control the flood waters running into the Mississippi. It is to hold back the waters of the Missouri river.

Mr. DUNNING: Will it irrigate 500,000 acres?

Mr. DONNELLY: No, it will not; the land is not there to irrigate.

Mr. DOUGLAS (Weyburn): The hon. member did not refer to it as an irrigation project.

Mr. McLEAN (Melfort): Yes, he did.

Mr. DONNELLY: The engineers from the Fort Peck dam who come into our district all agree that in Canada we are going along the right line. They advise against large developments or extensive irrigation projects. We have moved slowly in these matters, and in future it may be necessary for us to continue that procedure. They advise us to go slowly in matters of this kind.

I would hope that in the future we shall have rain and shall not have to irrigate. With respect to the small dugouts, dams and small irrigation projects, may I say that at present we have an officer known as the agricultural supervisor. A man may send in his application to build a dam or dugout, and the supervisor will drive around to see

the location of the farm. If a dugout has been suggested the supervisor will advise the farmer that the dugout should be about 150 feet long, about sixty feet wide and at least ten feet deep. The officer marks out the planned work, and in turn the farmer goes ahead and does the digging. When he has dug it out, and the drainage from half a section, a section or two sections runs into it, it will probably be filled with water, and he will have a supply sufficient for his stock and his household requirements. He finds this a great help in watering his stock, and in the general care of his farm. If the water is about ten feet deep it will last throughout the year, and he is assured of a good water supply.

I have seen some of these dugouts which have been built by communities. These have been about 250 feet long, about 150 feet wide and about fifteen to twenty feet deep, and are projects well worth while. The government began by paying these people about three cents, and raised the rate to four and a half cents a yard. Last year the rate was raised to eight cents a yard. The farmer, with the use of his horses, cannot work for less than twelve cents a yard, so it would appear that he does not get paid for all his work. If the work is done with a drag-line or done by machinery, the farmer may be able to do the work for eight cents a yard. He may be able to get by at that rate. Then, as soon as the farmer has the dugout he must put a fence around it and must plant trees, in order to draw moisture and to hold the snow, so that the dam, dugout or reservoir may be filled.

Then, there are dams. In connection with these the agricultural expert comes along, looks the ground over and gives his decision. In addition, in Saskatchewan there is an engineer checking on the water rights. A survey is made, and the farmer is advised to go ahead. In turn the farmer proceeds to put in the dam, and ripraps it with stone. He gets a certain price for his stone, and a certain price for constructing the dam. The dam is beneficial in the same way. In many cases, with a small dam the farmer is able to irrigate half an acre, an acre or two or three acres and to raise some alfalfa and garden products. These dams are of great benefit to the people in the dried out areas. There are thousands of these dams; more and more people are building them. The people in western Canada are getting dam conscious.

Mr. DUNNING: D-a-m?

Mr. DONNELLY: We believe these dams would be a great help in carrying them through dry seasons. There are also stock watering dams to be used by communities. For stock watering dams in large communities grants as high as $250 are allowed, and eight cents a yard paid. Two, three or four neighbours can go in together to build these and they may also obtain the assistance of the municipality.

In western Canada there are something like twenty larger projects being considered, all of which have to a certain extent to do with irrigation. For example, the ones at Val Marie, Coderre and Eastend are mainly for irrigation purposes. The main object of most of these irrigation projects is to provide forty or fifty acres to each farmer for grass or alfalfa. The pastures for stock will be up on the high lands and it is expected that in the dry years they will be able to raise enough feed and fodder for their stock.

I should like to give some of the reasons why certain of the larger projects have not been continued. I have before me a collection of the opinions of certain experts with regard to these matters. One man has suggested the possibility of irrigating from the Saskatchewan river. That may be possible, but I should like to quote what Mr. Charlesworth, one of the engineers, has to say. I quote:

> The time may come when the construction of more of these larger projects may be desirable but for the present, however, with experience to date, it would seem doubtful whether the expenditure of a large amount of public funds would be wise and certainly not before some assurance was forthcoming that markets for irrigated products are available.

Mr. STIRLING: What is the date of that?

Mr. DONNELLY: This is the summary of the reports, and it is dated January 25, 1938. This is what Mr. Fairfield, superintendent of the experimental farm at Lethbridge, has to say:

> Western Canada can well spend more time in digesting the raw irrigated lands still available that are in or adjacent to the existing irrigation projects before it embarks on any very large new projects.

I understand that in Alberta there is somewhere in the neighbourhood of a million acres of raw irrigated land, and that only half of that has been taken up. In other words, there is something like 500,000 acres of land still to be taken up.

Mr. DUNNING: There is more than that vacant in the irrigation districts.

Mr. DONNELLY: That is what Mr. Fairfield says. I could quote also from the opinion of Mr. Griffin of the Canadian Pacific railway, but my time is about up. I think the government would be well advised for the time being to pursue the policy it has been pursuing of conserving all run-off moisture

and of carrying out small irrigation projects where necessary. If we have a long period without any rain at all, it will then be time enough to go into the larger irrigation projects.

Mr. DENTON MASSEY (Greenwood): Mr. Speaker, the burden of the resolution before the house for consideration at the moment touches particularly a part of this dominion and some hon. members may feel that a matter of this kind is peculiarly sectional and therefore to be discussed only by those who come from that part of the country affected. So far those who have spoken have come from western Canada, that part of the dominion which has been primarily affected by the conditions which inspire the resolution introduced by the hon. member for Rosetown-Biggar (Mr. Coldwell). On the other hand, I feel it is important in connection with a matter which touches a section of the country as vitally as does this touch western Canada, that every hon. member should place on record his full recognition of responsibility. There is no section of Canada which is not a part of Canada. We are here as Canadians and, perforce, if we discharge our duties as we should, we should take a keen interest in those matters which may directly affect only a part of the country but which indirectly affect all parts.

As one who lives in Ontario I rise to speak on this resolution, not in specific terms or with any idea of discussing irrigation but in an attempt to convey to the house the fact that, after all, there are those of us who live in the eastern part of Canada who are vitally concerned with western Canada. For western Canada is as much a part of us as is our own province. One has heard it said repeatedly by those who come from the west that the east understands little about the west. Those of us who live in the east have heard it said altogether too often that we do not understand very much about the west and perhaps do not take enough interest in that part of our country. When such a great section of this dominion faces the problem which Saskatchewan faces at this time, it is incumbent upon us to give to that problem our best as Canadians. Our fellow Canadians are being impinged by circumstances at the moment beyond their control.

In the eighteenth century there lived a great American philosopher who was also a statesman and an erudite gentleman. I refer to Benjamin Franklin, of whom the fourteenth edition of the Encyclopaedia Britannica has this to say:

> Other men may have been greater, but very few have been more human.

[Mr. Donnelly.]

He left for us many philosophical gems in which to delight, but perhaps no statement of his is more sententious than this aphorism:

> We must all hang together, or assuredly we shall all hang separately.

There has been no sentence uttered in recent years that sounds a graver warning to us in Canada than do those words given to the world by Benjamin Franklin 160 years ago.

I am a firm believer in the rights of groups, whether they be minorities or majorities. I have the deepest and utmost respect for all considered opinions of men, and I firmly believe, as did the fathers of confederation, that local institutions and local laws of all the various provinces should be guaranteed. I am not parochial in outlook or narrow in viewpoint, and whereas I reside in one province I respect the rights of all provinces, just as I respect as a Canadian the rights of all the other dominions and the colonies of the British Commonwealth of Nations. I am not intolerant, and I dislike intensely bigotry and prejudice. I have at the same time a high regard for broad-mindedness and open-mindedness. In other words, I am a firm believer in the spirit that motivated and made possible the Dominion of Canada. I am, you see, Mr. Speaker, a thorough Canadian in spirit as well as in name.

What has it meant and what does it mean to "hang together" in Canada? On Monday, February 6, 1865, the then attorney general, Sir John A. Macdonald, moved in the House of Commons a resolution which reads as follows:

> That an humble address be presented to Her Majesty, praying that she may be graciously pleased to cause a measure to be submitted to the imperial parliament, for the purpose of uniting the colonies of Canada, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island, in one government, with provisions based on certain resolutions which were adopted at a conference of delegates from the said colonies, held at the city of Quebec, on October 10, 1864.

As an ultimate result of this resolution the Dominion of Canada was born on July 1, 1867. Subsequently, what are now the provinces of Manitoba, Saskatchewan, Alberta and British Columbia, became part of the dominion, so that to-day there is in the northern part of the north American continent a great British dominion stretching from the Atlantic to the Pacific, from the 49th parallel of latitude to the wastes of the arctic.

We are indeed a vast country geographically, though a small country numerically. Our population is concentrated in what is essentially a long, narrow strip of territory,

extending from coast to coast, along an international border across which lies one of the great nations of the world. We are British, and throughout Canada proclaim our allegiance, along with hundreds of millions of others throughout the world, to the one who is the quick and living centre of the spirit of empire, the personification of the nobility and tradition that belong to those who call themselves British, and we unitedly honour the crown.

We are a complex nation, not homogeneous in any sense of the word. Native within our borders are those of two great races, and we speak two languages.

We have also absorbed into our midst those who have come to our shores from all over Europe and from other continents as well, new Canadians, who in the main have adopted well and sincerely the customs, manners and modes of Canada. We are engaged in a wide diversity of activities. We are farmers, fishermen, miners, lumbermen, mechanics, and we practise all the trades. We have customs which vary widely across our dominion, stretching as it does across a whole continent, 3,500 miles in width.

The habitant of Quebec and the farmer of Ontario are as different in character and characteristics as the Devonshire yeoman and the Highland Scot. The ranchman in the west and the dairyman in the east have personalities as unlike as their occupations. Even the fisherman of British Columbia is a different sort of fellow from the fisherman of the maritimes, while the professional men of the eastern cities are in many ways unlike the professional men in the western cities. But in spite of all our differences in race, in customs, in religion, in habits and in personal and individual characteristics, in spite of the sectional divisions into which this country may so readily be divided, we are a Dominion of Canada, born in 1867, and we have grown rapidly through the last seventy years to our present position of importance as a nation of the world.

Our growth has been as romantic as it has been steady, a growth possible only as a result of the fact that through those seventy years we have all "hung together."

As we look back through the years to 1867 we come to the instrument which was designed to give to us to-day the dominion in which we live—the British North America Act. Here was an act designed and brought into being by men of all shades of political opinion, an act in the designing and passing of which such notorious political enemies as George Brown and Sir John A. Macdonald joined forces, and hand in hand hurdled what seemed at first to be almost insuperable difficulties on the way to their common goal. In their efforts they were supported fully, whole-heartedly and sincerely by many eminent Canadians, prominent among whom was Sir George Etienne Cartier. Have we justified the faith reposed in us by the fathers of confederation? As Canadians we may well be proud in many ways of the accomplishments of this nation. Under the handicap of great space, under the difficulties of extremes of climate, under the hazards and hardships that beset the path of the pioneer, under the menace of possible incipient and unconscious domination by a mighty nation to the south of us, we have progressed to our present degree of national importance and to the point where we are held in international respect. To-day we are eleven millions of people, actively engaged in agriculture, industry and commerce. At first, in our earlier days, we were an agrarian country, bending our full efforts toward the development of our agriculture and agricultural products. In this century we have added the pursuits of industry and commerce, until to-day we are fifth among the trading nations of the world. Not only are our agricultural and manufactured products widely accepted everywhere, but we are now one of the most important factors in both precious and base metals in the world's metal market.

I have taken the time of the house this afternoon, Mr. Speaker—and the house has listened most patiently—to discuss what I have discussed because it seems to me, as I said at the beginning of my remarks, it is incumbent upon all hon. members, so important is the resolution introduced by the hon. member for Rosetown-Biggar, to bend our full and united efforts towards finding a solution for this problem. We are challenged by what has been presented in this chamber to-day to realize anew that we are not east and west or nine separate and independent provinces, to forget our sectional differences, to attempt to overcome misunderstandings, and to make a combined and united effort towards the development of a Dominion of Canada that shall be a dominion in fact as well as in name.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. C. R. EVANS (Maple Creek): When the house rose at six o'clock we were debating the resolution of the hon. member for Rosetown-Biggar (Mr. Coldwell) with reference to rehabilitation of the drought area. I wish to continue for a short time the discussion of that resolution.

Coming from the southwest corner of Saskatchewan, from a constituency which has suffered severely from drought at different periods over the past thirty years, I believe that we who live in that southwest part and in the drought area have first hand knowledge of the difficulties and problems experienced by our settlers who settled in that district during the early part of the present century. I wish to speak particularly of the southwest portion of the province and to discuss the way in which the farm rehabilitation act applies to us in that district.

Our part of the province is in the plains area about which we have heard so much and we are peculiarly situated there owing to the fact that we are in a semi-arid district. We find that in our district and in the southeast corner of Alberta the situation is particularly adapted to the development of irrigation projects. Our part of the province was settled from about 1907 to about 1914 and in 1910 we had a severe drought in that area. Again in 1914 there was a very severe drought and a total crop failure.

The dominion government of that day, recognizing the severity of the drought of 1914, came to the assistance of the settlers in that area, particularly in southwestern Saskatchewan and southeastern Alberta, and furnished them with food, fuel, seed grain, and feed and fodder for their live stock. I bring this to the attention of the house for the reason that our district was then in the early stages of settlement, and the governments of that period should have realized that it was unsuited for the growing of cereals and the development of agriculture along that line. Prior to 1910 there had settled in that district many people who came in during the 90's—people who had developed the live stock industry—and when the government of Canada decided upon settlement in that area we destroyed the best ranching country in the world, with the result that we have developed a country which is not adapted to either farming or ranching.

We believe that the responsibility for conditions which now prevail in southwestern Saskatchewan rests at the door of this parliament. As late as 1918 we had petitions signed by settlers throughout the southwest asking the Department of the Interior at Ottawa to cancel leases and open up lease land for settlement. To-day the people who settled on these lands are not able to carry on because they settled on sub-marginal lands that were not fit for cultvation. This brings us to the present climax. We have come through seven years of drought in southwestern Saskatchewan. We are trying to overcome in two or three years what has developed during the past thirty years, which is an impossibility. Many of our people are impatient because of the slow movement of the government in the endeavour to overcome conditions that have developed over thirty years.

As I have said, the southwest part of Saskatchewan and the southeast part of Alberta are adapted to irrigation, for these reasons. Down through the centre of the plains area there is a row of hills known as the Cypress hills, which are partly wooded. These hills are dotted here and there with small lakes and numerous springs which are sources of many streams. The streams running on the north and south slopes of the Cypress hills can easily be developed to irrigate land in small or large quantities as the case may be, but we have an opportunity to irrigate land only in the river valleys. There have been developed over past years in southwestern Saskatchewan many small irrigation projects, some of them dating back to 1892. These projects were developed at that early date on Maple creek, Bear creek and Battle creek, and are still in operation. Many tons of fodder have been cut off the lands irrigated by these private projects.

Since 1935, when the rehabilitation program came into force, there has been developed in southwestern Saskatchewan an irrigation scheme. To-day the hon. member for Wood Mountain (Mr. Donnelly) referred to some of these projects. We find that the irrigation projects are being developed in Saskatchewan as rapidly as possible, and while the rehabilitation program is in its third year it is still to some extent in the formative stage and new measures are being undertaken as conditions warrant. The water development program is progressing more rapidly and we are establishing reservoirs of surplus water for stock watering and irrigation purposes. In many districts we are developing large irrigation projects. Take, for instance, the development of the Frenchman river. This river takes almost the entire run-off on the south slope of the Cypress hills. There have been developed so far in the Frenchman river valley an irrigation project at Val Marie and one at Eastend. Last year the Val Marie project had under cultivation about 1,200 acres, and from some of this land there was produced thirty bushels of No. 1 wheat to the acre. On the rest of it we grew fodder and some garden truck. The Eastend project had some crop on it last year, but it is not quite

as well developed as Val Marie. This year we have ready for cultivation on the Val Marie project some 4,000 acres.

The Val Marie and Eastend projects have to be supported by a fresh reservoir that is being developed at Cypress lake, which is the head of Frenchman river. This project is now under development, and when fully developed it will irrigate between 30,000 and 40,000 acres along the Frenchman river valley. We know from experience, from the crops grown and the development at Val Marie, that the soil and climatic conditions are suitable for irrigation farming, and all we need is the full development of the water supply. Further development at Eastend will enable us to irrigate between 6,000 and 7,000 acres. When the Cypress lake reservoir is fully developed it will also furnish additional water to continue irrigation in the Battle creek area of another 6,000 to 8,000 acres of land. In addition to the development of this south run-off of the Cypress hills we have under development the Downey lake project. This is on the north slope of the Cypress hills, and is located about twelve miles southwest of Maple creek. This project when completed, and supplemented by other smaller creeks and dams, will make it possible to irrigate another 6,000 to 8,000 acres along the Maple creek valley and its tributaries. Many other creeks on the north run-off of the Cypress hills are being surveyed and we expect will be developed during the coming summer.

One other outstanding development for which engineers have completed their surveys and supplemented their report is located about forty miles southeast of Swift Current, near the town of Vanguard, and is known as the Vanguard project. This when fully developed has the possibility of irrigating between 15,000 and 16,000 acres of some of the best land in Saskatchewan. We expect that this project may be developed this coming season. The development of this project will solve the feed problem of a large portion of southern and central Saskatchewan. Irrigation goes hand in hand with live stock, so we have in southwestern Saskatchewan the development of irrigation projects to supply winter feed for our live stock.

In addition to these major projects many small schemes have been developed by individual farmers, where it has been made possible to store run-off water which will be used to irrigate from five to twenty acres and in some instances up to eighty or one hundred acres on a farm. This is the best form of assistance, reestablishing and rehabilitating the farmer on his own land.

We have also in southwestern Saskatchewan the problem of sub-marginal lands. This was dealt with to some extent this afternoon by the hon. member for Wood Mountain, but I should like to say a few words concerning it. In the early years of this century during the rush for land in the great west, large areas of sub-marginal land were settled on. These lands to-day are not fit for growing cereals. The areas range in size from a few sections to blocks of thousands of acres. Owing to the type of soil and the lack of precipitation the people who settled on these lands have failed. Many of them failed even before the general drought that we are now experiencing.

The problem of what to do with this land confronts us. It has been decided to withdraw this land from cultivation and turn it into community pastures, assisting the settlers on these lands to reestablish themselves on better land as close to the pasture area as possible, where the development of a pasture will enable them to rehabilitate themselves. The development of community pastures in these areas will return the land to live stock production as a range area. This land is fenced and cross-fenced with suitable stock fences, the cross-fences dividing the pasture into breeding reserves and main pastures. As these areas have for the most part been cultivated we find the land in various stages of grass; part of it has the natural prairie grass; the rest may be bare ground or drifting sand. It is therefore necessary to get the grass cover started as soon as possible. The pastures are operated under definite rules, particular attention being paid to prevent overgrazing. These grazing areas will be used for producing the best grades of beef cattle, using the best sires. By this method we hope to produce a uniform animal suitable for the eastern and overseas market. Sixteen of these pastures, varying in size from 6,000 to 25,000 acres, were completed in 1937.

This afternoon the hon. member for Swift Current (Mr. Bothwell) outlined the policy of the agricultural improvement associations. I should like to say a few words concerning them as we have a number of these associations established in the constituency which I have the honour to represent, and they are accomplishing a great deal of good work. Their object is to encourage farmers in a community to cooperate in the solution of their own problems arising from drought and soil drifting, by the general adoption of such policies as strip farming, cover crops and cultural methods best suited to local conditions. These associations are supervised from the

experimental farm in the district. Free distribution of suitable drought resisting grass seed is made to members of the associations. In the past sweet clover, alfalfa, brome grass and crested wheat grass have been distributed to members. The seed so distributed is to be used for seed production purposes, allowing each member to increase his own seed and also gain experience in producing seeded forage crops. Crested wheat grass has been most in demand through the drought areas, and has given promising results. Such organizations as these are necessary to assist the experimental farms in keeping contact with the farmers and to aid in the distribution of seed.

In conclusion I would say that we are advancing in the rehabilitation of the drought areas slowly but surely, keeping in view permanency in policy and getting full value for the money expended. We find that the development of the smaller irrigation projects is most satisfactory. I visited some of those projects that we heard about this afternoon down in Montana. I found that the project developed at Malta was a series of small irrigation projects taking the water out of one stream. I believe that the policy we are following in Saskatchewan in developing the small individual irrigation project is the thing which will reestablish and rehabilitate the drought area in that province.

Mr. J. R. MacNICOL (Davenport): First I wish to place myself behind whatever sound means the government decides upon to rehabilitate the province of Saskatchewan. I have heard the cost mentioned here this afternoon, and while cost is always of importance, still I say whatever means the government decide are necessary to rehabilitate Saskatchewan should, irrespective of the cost, be supported unanimously by this country. The country cannot exist without Saskatchewan.

Now I am going to touch on another phase of this subject that has not been dealt with by any of the previous speakers. In a way I hesitate to do so, because, search as I might, on the one hand I have not found engineers to agree as to the real cause of the trouble, and on the other I have not found engineers to agree on the real source or origin of the moisture required for Saskatchewan. Some say one thing; some say another; but before entering upon that phase of what I have to say I should like to pass a word or two of comment on the remarks of one or two previous speakers. First, I refer to some remarks made by the hon. member for Wood Mountain (Mr. Donnelly). I thought he gave an exhaustive and clear explanation of what he had in mind, and in the course of his remarks he asked a question in reference to something that had been said earlier by, I believe, the hon. member for Acadia (Mr. Quelch), in reference to the diversion of water from the North and South Saskatchewan rivers. At that time I believe I asked what was the cubic feet flow per second of water on either or both of these rivers, and the hon. member for Wood Mountain asked where the water was going to come from.

That is a problem, Mr. Speaker. If the two Saskatchewan rivers are diverted, it will mean, of course, that the water from them will be lost as far as the rivers are concerned. The water might do splendid work in irrigation projects, but it would not return to the river. I thought it might be worth while just to say something about the flow per second of these two rivers. They vary very widely in their maximum and minimum. The mean average flow of the united Saskatchewan at The Pas, throughout the year 1934-35, October to September, was 22,700 cubic feet per second. The maximum flow was 55,700 cubic feet per second; but the minimum flow, with the water at its lowest point, was down to 3,960 cubic feet per second. The North Saskatchewan at Edmonton ranges from a maximum of 46,300 cubic feet per second to an average of 8,290 cubic feet per second and as low as 460 cubic feet per second as a minimum. So the question asked by the hon. member for Wood Mountain was a pertinent one, in my judgment, inasmuch as the diversions that were mentioned as being required for the irrigation of Saskatchewan were as follows: The hon. member for Acadia said that from the North Saskatchewan there should be a diversion of 6,800 cubic second feet; from the Clearwater river, 1,180 cubic feet per second; and from the Red Deer river, which I believe is a tributary of the South Saskatchewan, 2,275 cubic feet per second.

As I said a moment ago, the question asked by the hon. member for Wood Mountain was quite pertinent, for the total diversion flow that would be required, according to the bulletin entitled Reclamation Service, which was quoted by the hon. member for Acadia, would be over 10,000 cubic feet per second. So if there were a sustained diversion from the North and South Saskatchewan of anything like that number of cubic second feet, it would necessitate some measures to store up the water at the headwaters of those two rivers, as has been done in the state of Arizona irrigation projects. Large reservoirs would have to be built so that the flow could be maintained in all the seasons for which the water would be required.

Another hon. gentleman said something to the effect that it was not lack of moisture in Saskatchewan which was causing the trouble. If it is not a lack of moisture, then it must be a lack of rain. From time to time we have seen in the press the hopes of the people of Saskatchewan, and I might say of the whole world, for the prosperity of the world depends to a large extent upon the production of wheat. The Saskatchewan newspapers, during the wheat growing season, keep reporting, "If we only have rain, such and such will take place." I made a rather extended survey into what I would call the origin of the rainfall for Saskatchewan, but I have been unable to come to any definite conclusions as to the original source of the moisture which formed the clouds above that province. I remember reading the opinion of a former prominent official of this government, I believe in the meteorological service, a celebrated man and engineer. His impression, in which I found concurrence in Washington, was that the moisture which makes rainfall over Saskatchewan originates in the gulf of Mexico. Lately engineers have said that is not so. Others have said that the origin of that moisture is the Pacific ocean; that currents of air come over the Rocky mountains and meet other currents of air over Saskatchewan, and that thereby rain is formed. The engineer, to whom I referred a moment ago, held the opinion—which was shared by many others—that the warm currents of air coming from the gulf of Mexico up the Mississippi and Missouri valleys met colder currents of air over Saskatchewan, coming from the Arctic ocean and Hudson bay, and formed the rain which falls there. I have heard others say that the origin is Hudson bay.

The point I make, Mr. Speaker, is that apparently there is no definite engineering opinion as to the origin of the rainfall which Saskatchewan should and did have. For a long time I have been pursuing studies in connection with rainfall, precipitation and the water production of the St. Lawrence watershed. During the course of my investigations I have asked engineers if part of the rainfall that should and did fall in the province of Saskatchewan by any chance might originate in the great lakes watershed. There again I found there was no one who had a definite opinion. I venture an opinion—which may be entirely wrong, because every other man who has made a study of this seemingly has a different origin for the rainfall of Saskatchewan—that part of it might still be from the great lakes watershed just as well as from the gulf of Mexico, the Arctic ocean, Hudson bay or the Pacific ocean. It might be that all these might be sources of that rainfall. If the government wishes to make an investigation as to where the origin of moisture is for the supply of Saskatchewan, I assume it will have to send up some balloons capable of ascertaining the currents in the air in the upper stratosphere, and determine what can be done.

Whether or not the St. Lawrence watershed has supplied moisture to Saskatchewan is something which no one may tell. I know that on the earth's surface the current of air is eastward, but where is it when it is five thousand feet high in the air? No one can tell where the moisture originates; but if any part of it was from the watershed of the great lakes I am wondering whether the fact that over ten billion tons of water a year are taken out of the St. Lawrence watershed and poured into the Mississippi watershed could have anything whatever to do with the alteration in the amount of moisture, or could have any effect on the moisture which is said formerly to have come from the gulf of Mexico and part of which may have come from the watershed of the great lakes.

That suggestion may sound a little far-fetched, and perhaps it is a long way from the subject of irrigation. However we do know that irrigation is one way of providing moisture, and that rainfall is the real and proper source of moisture. Apparently for a number of years past Saskatchewan has not had its proper share of rainfall, and I should think any body of engineers appointed by the government should endeavour to find out what has happened to the origin of the rainfall which formerly fell in Saskatchewan.

We know that in the St. Lawrence watershed there has been a gradual reduction in rainfall. Later on that fact may have a serious effect, so far as agriculture in Ontario and adjacent states is concerned. I find that at page 43 of John R. Freeman's book, which deals with the regulation of the great lakes, he states that the Canadian meteorological office has said that over a period of fifty years the reduction in rainfall in Ontario has been 2·3 inches, and that the equivalent weighted average reduction for the whole watershed is three inches. That is a colossal reduction. We know that to-day Saskatchewan is suffering from a lack of water, but it may be that in the course of time, unless some measures are taken to return the waters to their proper levels in their watersheds, the eastern provinces may be in a similar difficulty.

A committee sitting in Washington is now considering a measure to alter the judgment

of the United States Supreme Court handed down in 1930, in which the court directed that the diversion at Chicago should not exceed 1,500 second feet. The bill before the house asked that commencing in 1939 the provision for 1,500 second feet be changed to 5,000. In the proceedings before the committee one of the congressmen, Francis D. Culkin, quoted from a speech he made on January 18, 1934, in which he said:

> It is no secret that most of this water has been used by Chicago in generating electricity for commercial purposes. God intended this water to flow east through the great lakes.
>
> Its diversion was a larceny, pure and simple, and was destructive of every shore-front locality along the basin of the great lakes.

Worse than that, it has been one of the causes—there are several major causes—of the reduction equivalent to three inches in rainfall over the entire St. Lawrence watershed area. Whether or not that had any effect on the lack of rainfall in Saskatchewan, I cannot say.

Certainly it is true that water finds its own level, and I suppose clouds, in their flight through the air, are partly affected by the water on the surface. I would say that this whole interference with nature which has been going on for so many years has had a much greater effect throughout Canada and the United States with respect to the amount of rainfall and drought than any person knows. The time has come to make a serious investigation.

Whatever investigation the government may determine to make—and I believe it should make one, in addition to what it is now doing—it should deal with the problem of diversion from the great lakes. I believe the hon. member for Swift Current (Mr. Bothwell) and the hon. member for Wood Mountain (Mr. Donnelly) reported that the work which has been done in the west has been beneficial. If the storage of water is beneficial in the west, it would be equally beneficial to make an endeavour to return the great lakes of the east to their former natural water levels.

In Washington a few days ago, in connection with this very matter, namely the gradual lowering of the water level of the great lakes, there was a suggestion to build control works across the Niagara river, in order to raise the level of lake Erie, and control works at the outlet of lake Huron, on the St. Clair river, in order to raise the water levels of lakes Huron and Michigan, which are really one lake. This latter is a lake area of 45,000 square miles which is to-day three feet plus, lower than the average level of those lakes for the forty year period between 1860 and 1900. That is a very serious loss of water to the central portion of this continent.

By such works it is possible that the water levels could be returned to their former point, but it would take a long time to do this. If it were returned, evaporation would be greater and, if evaporation on the great lakes has anything whatever to do with rainfall beyond the great lakes watershed, or if it has anything to do with the rainfall east or west of that watershed, no doubt the increased level would be beneficial to the areas adjacent thereto.

May I point out that in this part of the country we are threatened with further diversions of water from northern Ontario, a matter which may or may not affect the rainfall. I take the same stand as that taken by the congressman a few days ago, when he quoted his own speech of 1934, in which he said that God intended the water to flow in one direction. In my judgment man has not any business to divert a large volume of water from one watershed to another.

In the west the diversion of the waters of the two Saskatchewan rivers would not be a diversion from one watershed to another. If there is any possible way of diverting the water of either the North Saskatchewan or the South Saskatchewan rivers for irrigation to benefit the people of Saskatchewan, I for one would support it. However, in view of what I have heard to the effect that the water level is away below the ground level, it would appear that dams, windmills or something of the kind would be necessary to elevate the water. That is not the old system of irrigation which has been handed down from the earliest days.

Egypt diverts water from the Nile north of the first cataract Between that point and the sea is a distance of some five to six hundred miles, and for all that distance the adjacent land is almost level. The river flows quite gently and all they have to do is to tap the water and let it run all over the land. It would be quite a task to pump water up as high as has been suggested by the hon. member for Wood Mountain. It would be much easier if the water could be allowed just to run down hill.

Some hon. member mentioned Holland. I investigated the irrigation projects in that country this summer.

Mr. DUNNING: Irrigation projects in Holland?

Mr. MacNICOL: It may surprise the minister to know that they have such projects.

I investigated 200 square miles of that country. The rivers running from southeast to Rotterdam flow above the land level, but they explained to me that where the subsidiary canals run alongside the main canals they have pumping outfits. Sometimes the water is pumped from the land and on other days it may be pumped back, depending upon the amount of evaporation. Whether or not this actually happens, I cannot say, but that is how it was explained to me. I can see that where you are able to have the water run down hill, your irrigation problems would be much easier to solve than if you have to pump it up.

I rose merely to say that is a too tremendous problem for Saskatchewan to tackle alone. That province has suffered tremendously during the last few years, far beyond wwhat any province should be called upon to suffer. I know in the judgment of the government, this is a national problem. The services of the best engineers, both in and out of Canada, should be obtained and then parliament should consider what is necessary in order that a sincere effort may be made to rehabilitate that great province. When I was home on Saturday I attended a meeting, the report of which will come out later. I shall not say just what meeting it was, but mention was made of the large number of people returning from Saskatchewan to Ontario. I know that some relations of mine who have been farming in Saskatchewan for twenty-five years and have helped to build up that country have had to return to Ontario after losing all they had. While it is no disgrace for anyone to lose all he has after going through six or seven years of depression, the fact is that these people are back here and will have to be taken care of. In that way this matter becomes an Ontario problem. I shall close with the suggestion that the government obtain the best advice possible, which I believe it will do, and then set out to do all that can be done to rehabilitate Saskatchewan. In that I am sure they will have the support of all parties in the house.

Mr. P. J. ROWE (Athabaska): Mr. Speaker, the resolution now under discussion reads as follows:

That, in the opinion of this house, the government should place before parliament at an early date plans, or proposals, for a comprehensive and authoritative survey of water conservation, irrigation possibilities, and other feasible projects for the permanent rehabilitation of the drought stricken area of western Canada and its people.

First, I wish to congratulate the mover of the resolution upon having brought this matter before parliament. I think the remarks made to-day and the diversified opinions expressed only tend to emphasize the necessity for a survey of this problem being made by technically competent experts so that the people of Canada will know once and for all the attainable possibilities of irrigation in western Canada. Western Canada is one of the world's greatest grain growing areas, but recurring drought periods have brought ruin to a multitude of farmers and those dependent upon them. If it is possible to restore this world's granary to its former potential productivity, and it is within the power of parliament to bring about this result, it automatically becomes the unescapable legal and moral duty of parliament to bring about that result.

To a layman—and I am speaking as such—all the factors favourable to the accomplishment of such a purpose appear to be present. There can be no doubt as to the fertility and crop producing qualities of the soil of western Canada. During the recent drought years I had occasion to revisit sections of the prairie country which had been known to me personally in the early days to be capable of producing large crops. I had seen heavy yields in the plain country around Regina and I was shocked when I went there a few years later to discover that those areas had reverted to veritable deserts.

To a layman it appears that nowhere on this planet has nature been so lavish in the provision of abundant water supplies as on the eastern slopes of the Rocky mountains. Springing from great glaciers and melting snows high up among the peaks and valleys of the Rockies there are innumerable streams and great rivers like the Oldman, the Bow, the Red Deer, the North Saskatchewan and the Athabaska. It so happens that rising temperatures and the early summer melting of mountain snows bring down to the plains vast volumes of water just when the growing crops are most in need of moisture. Writing in the Regina Daily Star of January 22, 1938, Mr. H. H. Cleugh, a gentleman who has made a study of this question, suggests that these rivers should be dammed at a sufficient level above the plains to permit of gravity flow. This is a phase of the matter which has not been touched upon extensively during this debate. In view of the fact that Mr. Cleugh appears to have made a study of this matter, I think it is advisable to place upon Hansard one or two of the statements he has made in the Regina Daily Star.

He states that this water could be carried by gravity to the plains surrounding Regina.

Then he suggests tapping the Bow river at Glenbow, which is 1,500 feet above the city of Regina. As that point is 500 miles away, this would mean a fall of three feet to the mile. He stated also that the Saskatchewan people lost over $120,000,000 in 1937 through seed and labour thrown away on crops which failed because of the drought. Mr. Cleugh believes that for less than that amount pipe lines could have been built and sufficient water brought down to turn southern Saskatchewan into a swamp in two years. I am going to quote from his article as he includes in it some of the figures referred to a moment ago by the hon. member for Davenport (Mr. MacNicol).

I have looked into this very carefully and find in June the amount passing Medicine Hat is 26,000 cubic second feet. Now here is power and also a lot of water for irrigation if a suitable dam site can be found and a pumping station established but I have little hope of pumps.

But that is not all and pumping is not in it compared to the natural law of gravity. The Bow river can be harnessed at Glenbow above Calgary and have 1,500 feet fall to Regina and 10,000 cubic second feet of water can be harnessed in a pipe line with an average fall of three feet to a mile, through the 500 miles of distance; 500 to 600 cubic second feet can be delivered through one pipe line and there is enough water to fill 20 pipes of a 12-foot diameter intake; enough water can be had to make Saskatchewan a swamp in two years if the water is held there.

A 12-foot intake with a fall like that would irrigate one inch deep over 60,000 acres a week and there is enough water running to waste at that point to irrigate about three acres one inch deep every second. Then there are the Macleod, the north Saskatchewan and Red Deer rivers high enough above Saskatoon, Regina and Broadview to deliver another 12,000 cubic second feet by gravity alone at a terrific speed. In other words in four rivers you have enough water to irrigate one inch deep, six acres every second, or 21 million acres one inch deep in 40 days and in the Bow river alone enough water to irrigate 21 million acres in 90 days, and all that volume will run down without pumping to where it is needed.

Saskatchewan undoubtedly has the water necessary for irrigation and lots of it, but let us suppose for a few moments we irrigated not 21 million acres but 10 million acres every 15 days and instead of 10 bushels to the acre we got 40 bushels, would we not save time, labour and machinery?

Instead of growing wheat only we could grow corn, sorghum, millet, sugar beets, winter rye, sunflowers and alfalfa for siloes, turning out hogs instead of just wheat. Let us farm and no longer be a band of destructive pirates. Make burning straw piles a crime, and burning over prairie or stubble field, bluff and slough, a penalty of not less than five years of hard labour or a $5,000 fine. Burning the prairie especially in the fall has burned the humus which acted the same as a sponge in holding the precipitation. Not only that but the grass roots in the humus covered the ground from wind, and there were no dust storms until the land became pulverized and the straw and stubble burned and no humus left and no fibre to break the wind or hold the soil together.

[Mr. P. J. Rowe.]

All of that sounds to a mere layman very alluring indeed. I do not know whether it is correct or not; but I suggest there is a way to find out, without costing the government very much, and that is to have an authoritative survey made so that all these differences of opinion and arguments pro and con which we have been hearing can be finally cleared up. If Mr. Cleugh is right and we can irrigate southern Saskatchewan and southern Alberta from the South Saskatchewan and Bow rivers, immediately we think of possibilities in central and northern Alberta and Saskatchewan by using the waters of the Red Deer river and the North Saskatchewan river.

There are also the possibilities of generating electric power. That is one point which has not been touched upon. The hon. member for Rosetown-Biggar (Mr. Coldwell) in the terms of his resolution suggests "other feasible projects," and I submit the prospect of generating electric power might well be investigated very carefully. In that connection, Mr. Speaker, there is the suggestion that auxiliary power could be generated by steam. We have unlimited quantities of coal in Alberta, over eighty-seven per cent of the coal in Canada, and if the minimum flow of these rivers in the winter time was such that there was not sufficient water power to generate the electricity required, we could switch to steam. I am referring to the possibilities of generating electricity because, after all, if it is possible to bring electric power and electric appliances into domestic use on the prairies, the farmers of western Canada have a right to have them.

How is such a project to be paid for? I am quite aware that we cannot introduce in the house resolutions which involve the expenditure of money, and I want to make it quite clear that I am only trying to suggest something constructive in the event of a survey being made. We have to envisage or forecast the possible means of paying for such a project if the government decides to undertake it.

The other day the Minister of Finance (Mr. Dunning) laid on the table the latest returns of the Canadian chartered banks. The total savings reported were $1,580,000,000, held by 4,084,752 people; but, notice, 3,770,000 of these people have an average of only $120 in their savings accounts, while the other 314,740 have $1,127,500,000 in their savings accounts. I notice further that 536 persons have in their savings accounts an average of $287,500 each. It is safe to say that there

are not many western farmers, or fishermen, or workers in the last class. If we recall the many references which have been made to the brief submitted by the present Minister of Labour (Mr. Rogers) to the royal commission that sat in the maritime provinces, the three prairie provinces in 1931 were forced to pay in increased living costs because of the tariff something like $56,000,000. That was due to the tariff protection enjoyed by eastern manufacturers. It would be interesting to discover if there is any connection between that $56,000,000 of increased living costs and the average of $287,500 held by 536 people in eastern savings accounts, and to ascertain where they got that money. I suppose if their wages were equal to the wages of farmers and office boys, $350 a year as suggested by the hon. member for Huron North (Mr. Deachman) it would take them about eight hundred years to earn that amount, and about eight thousand years to save it, because you cannot lay by very much in the way of savings out of $350 a year.

I have this suggestion to make. While the Minister of Labour does not, I think, agree with the tariff protection idea, he said that if we abolished the tariff, confederation would be endangered. The inference I drew from that was that the western producers are expected to submit to a levy of $56,000,000 every year in order that confederation may live. That is quite a sacrifice to ask them to make. I suggest that no institution, confederation or anything else, can exist very long on a shaky foundation of that kind, and that the greatest danger to confederation to-day is just these very injustices that one group in this country imposes upon another.

One way to correct that, I think, would be this: I am assuming that such an irrigation and electrification scheme would cost $400,000,000. Suppose the dominion government were to offer a bond issue of $400,000,000 at two per cent payable serially in ten years; the annual amount required to retire the principal would be $40,000,000 and the annual interest would be $8,000,000. This $48,000,000 would still be $8,000,000 short of the annual tribute exacted by eastern protected manufacturers against the three prairie provinces. How would it be, to compensate the west in part for the wrongs they have suffered, if the entire amount of such bond issue were recovered through an excess profits tax? I believe that nothing less than a tangible act of this kind, with a complete rearrangement for the future, can heal the wounds which have already been inflicted, and strengthen again ties which at this moment are perilously near the breaking point.

I have no doubt that such a loan would be quickly taken up, as it would earn more than the one and a half per cent which the banks now pay to these people, and with the Dominion of Canada behind it the security would be unquestioned. I need hardly add that I am making this suggestion merely as an interim measure, because I am confident that in ten years from now the interest system will have been discovered to be one of the principal stumbling blocks in the path of social progress, and will either have been replaced by a more scientific and equitable one, or be just about ready for the scrap heap, and this, too, without placing in jeopardy the security of any person.

It occurs to me that there are eight points which might be gained by this proposal. May I outline them:

(1) It would make available an abundant and never-failing water supply to the farmers of the prairie plains, thereby bringing to them permanent security.

(2) It would make possible diversified farming, where, in addition to wheat, sorghum, millet, sugar beets, winter rye, sunflowers, and corn could be grown, and this would make possible hog and chicken raising as well as a vastly greater volume of dairy products, rendering the prairies self-sustaining in all these commodities, with a large export surplus.

(3) A public work of this magnitude would provide for the unemployed in western Canada.

(4) It would make available electric light and power for industrial and domestic appliances, adding greatly to the comfort and convenience of the homes of Canadian western farmers, workers and fishermen.

(5) It would not add to the cost of living of the workers, farmers or fishermen in either eastern or western Canada.

(6) It would effectively level out and check the effect of falling prices in the approaching depression, by increasing work, permanent assets and purchasing power.

(7) It would strengthen confederation and alleviate one of the principal causes of strained relationships between the east and the west at the present time.

(8) It would focus the attention of the Canadian people on a project into which we could direct our energies, now being wasted in the perpetuation of a stupid, archaic competitive system which, unless we check its mad, chaotic course, will soon lead the world into war. And another world war would mean the suicide of civilization.

May I for a moment examine the economic consequences of an irrigation and electrification plan such as I have proposed. One of the

anomalies of our present system is that a universally good crop is a calamity, and when the children in our great cities cry for bread we say, "No, you can't have any, because we've got too much." In the United States to-day, after years of earnest but futile endeavour, they have reached the tragic stage where there are more than 12,000,000 unemployed, and the proposed crop restriction and curtailment plans of the government will inevitably aggravate the heart-breaking and impossible prices of food and clothing, prices under which an ill-clad, under-paid and undernourished working class must falter and fall.

The world wheat conference which met in London last month warned the wheat growers of the world that there was imminent danger of an over-supply of wheat, and that this would mean a disastrous fall in price. I have no doubt that some of my hon. friends who pride themselves on being practical and realistic will oppose this plan on the ground that we must keep things scarce in order to keep up the price. Well, if that is being realistic I must define a realist as one who insists upon repeating the errors of his ancestors. Then it may be opportune to ask, Who really is the farmers' friend? The government or the sawfly? The government spends a great deal of money in laboratory research trying to find ways of combating the rust, the boll-weevil, the corn-borer and the sawfly; but, after all, are these humble parasites not really carrying out the policy of the government by restricting production?

I am ready to agree that the establishment of an adequate irrigation system in the prairie provinces would increase the volume of wheat, coarse grains, live stock and dairy products for sale on world markets, but it would at the same time guarantee an unfailing food supply for the hundreds of millions of people in India and China who are constantly on the edge of starvation and never know what it means to eat more than once each day. This, of course, means that we must change our system from one of production for profit to one of production for use.

The present competitive system, in its efforts to keep things scarce in order to keep up the price, results in the astonishing spectacle of individuals, groups and nations actually competing with one another, for things which may be had in abundance without competition. This false scarcity philosophy results in striving, hate, tariffs to keep things scarce, jealousy, envy and murder, finally culminating in mankind's worst collective social crime, war, where the internationally recognized vice of private murder, if multiplied sufficiently until it becomes mass murder and mutual extermination, is elevated to the honour and glory of a virtue.

May I say in closing, Mr. Speaker, that all those things which exalt and embellish our civilized life—art, science, philosophy and religion—had their roots in those ancient civilizations and empires which were cradled in the valleys of the Nile, the Euphrates, the Indus and the Hwang-ho, whose life-giving streams have flowed eternally down from the snow-covered ranges of Africa and Asia. They built their pyramids, conduits, palaces and temples with human hands, unassisted by nature. All too often their sumptuous palaces were built by slaves to gratify the vanity and ambition of thieves and robbers, otherwise known as kings and emperors, and the backs that bore the burdens also bore the marks of the slave-drivers lash. We, in this enlightened age, also have slaves at our command, but not the degredation and humiliation of human slavery. We have countless thousands of wild horses, rushing down the gorges of our mighty mountain rivers, ready to be tamed and harnessed in the service of humanity. Shall we use them? These ancient peoples sometimes spent years or generations in building their public works, but they had more intelligence than we moderns because they did not shackle succeeding generations with debt and interest. When these public works were created they were paid for.

It should be clear by every process of logic and by the proof of historic fact that the wealth of a nation, the character of its people, the quality and permanence of its institutions are all dependent upon a sound and sufficient agricultural foundation. Not armies or navies, or commerce, or diversity of manufacture, or anything other than the farm is the anchor which hold through the storms of time that sweep all else away.

Mr. R. E. FINN (Halifax): I had not intended to make any remarks in reference to the resolution before the house had it not been for the speech of the hon. member for Greenwood (Mr. Massey). He carried us back to the days of confederation, 1867, and he divided Canada into east and west with the dividing line at the western end of the great province of Ontario. While sitting here I thought of the words, "Lest we forget." I do not know of any occasion on which they are more apt or should be recalled with more seriousness or deeper human sympathy than

on this very day, because conditions in the world are such that we need to stop and think, "Lest we forget."

Just thirty-eight years ago to-day I sailed from Halifax on the steamship Milwaukee for South Africa and the Boer war. Arriving at Table bay twenty-eight days out from Halifax we went on board the tender to go ashore, along with Colonel Evans, Major Williams, Lieutenant Van Straubenze, who was a soldier and a man and who was killed in the great war, 1914-1918, and a clergyman from Lunenburg who was chaplain to the First and Second Canadian Mounted Rifles, a minister of the Methodist church who did very much for the boys on board that ship from the day she left the port of Halifax until we were at Ellfontein, sixteen miles northwest of Pretoria. As I was standing on the deck of the tender going ashore a gentleman who held the rank of colonel came up to me. He saw "Canada" on my shoulder and said, "I see you are from Canada." I said, "Yes, sir, I am." He said, "I am Colonel Doctor Conan Doyle." I said, "I have read some of your books." He said, "I am here with the Doctor Langham hospital corps, trying to look after the convalescents who come down from the front."

We went through that great country of Cape Colony up to the Orange river where the bridge had been blown up; that great iron structure looked like a lot of snakes. It was a Canadian who built across that river a transportation bridge over which men and ammunition might be taken into the Orange Free State. That engineer was Colonel Girouard, son of Hon. Mr. Justice Girouard of the Supreme Court of Canada. When the mules were passing over, kicking up like the very old Harry, at least I felt happy to know that the way was made safe, not for democracy, but for us to cross without falling into the water. After crossing the river where President Steyn was fighting up to his middle in the water, we went on to Bloemfontein, and just outside Bloemfontein I met a fellow Haligonian, Captain Harry Stair, who came up and spoke to me. The chaplain of whom I spoke was the Reverend Mr. Lane from Lunenburg. I pay him this tribute, because he was as broad as the sky above us on a clear night, and the work he did had an uplifting and inspiring influence on every man aboard that ship from Captain Webster down to the humblest sailor and the humblest individual going to the war, which was myself.

From there we went into the Transvaal, among the mighty mountains where we did not know at what moment we were going to receive that reward which comes to a soldier or a war correspondent. We arrived at Johannesburg, where doors were barred and windows shuttered; from there we went on to Pretoria, and met Lord Roberts and Lord Kitchener, both now deceased, and saw the home of Oom Paul Kruger, a sentry with fixed bayonets outside, and Mrs. Kruger and some Boers sitting on the verandah. Oom Paul had gone by fast train, blowing the bridges behind him, to Delagoa bay, where he took a ship for Holland, where my good friend (Mr. MacNicol) was last summer, where he found that there were waters flowing and something else that flowed, I am not sure what they call it but I think it is Holland gin.

But, Mr. Speaker, to be serious, I speak of February 21, 1900, because at that time England and the empire were fighting the Boers. To-day some say, "Well, has not England been an aggressor?" I say in that respect, "No." Why? Because on the subjugation of that country it was handed back to them. To-day it is one mighty confederation, and the very men, General Hertzog, Smuts and other generals, who would have shot Queen Victoria on sight, have become the leaders of that confederation and sit in the councils of the empire in London at the imperial conferences of this commonwealth of nations. These changes, Mr. Speaker, are of a kind that make one wonder why conditions are as they are to-day in reference to matters of national and international concern, with which I do not propose to deal for one moment. But I say, "Lest we forget."

Let me say that I am in hearty accord with the aspirations of hon. gentlemen in this house who come from the provinces of Saskatchewan and Alberta. They have had their drought seasons; influences have been brought to bear that have made their country not so happy to live in as the older provinces which entered into confederation in 1867. I am not an engineer; therefore I am not in a position to deal with the question of irrigation or its cost or the portions of the country where it is necessary. But I do say this, that I believe this government is sympathetic to the interests of those provinces which were carved out by the late great leader of the Liberal party, Sir Wilfrid Laurier, and it will see to it that as far as it can and as far as the treasury will provide, those conditions will be ameliorated, so that the present hardships may be forgotten and happiness may reign again among our people in the west.

That brings me, sir, to the little province of Nova Scotia, that rock-ribbed province

which gave to Canada that magnificent maritime frontage on the east without which Canada could not have been a nation. I tell you, Mr. Speaker, and hon. gentlemen who sit in the house for the first time, that we were taken into confederation—I was not born then—against our will. To-day we are satisfied to be a part of this great Canada of ours, extending from Halifax to Vancouver; but we are most desirous, yea, insistent, that the promises and pledges which were given to us, not by word of mouth but by statute shall be carried out, perhaps not to the letter, because we are not after our pound of flesh, but we are after that which will bring the prosperity that should be ours as the eastern gateway of this young country.

The British North America Act of 1867 provided in section 145 for the construction of the Intercolonial railway from the city of Halifax to a point on the St. Lawrence river. That railway was built at a cost of millions of dollars, which was contributed by England. That railway was constructed to our disadvantage. Why? Because the British government insisted that it be built so far away from the American border so that if there was another war between England and the United States our line of communication could not be cut. So the road was built down around the bay of Chaleur, and on to Moncton and through to Halifax, making the line about two hundred miles longer than it should have been if it had been built as the Canadian Pacific railway was, though not through the state of Maine, as is the Canadian Pacific, from Megantic and then on through the province of New Brunswick to Saint John. We were sufferers because of that, and the disadvantages were such and the rail haul was so great that the opportunity was given the Canadian Pacific to construct a shorter line. As Sir Charles Tupper said, he bought a summer place at St. Andrews, New Brunswick, because he could come down from Montreal to St. Andrews in twelve hours, whereas it would take him about sixty hours to get there by road, because the Intercolonial railway was not completed to the city of Halifax. Those were the conditions, and it took many years to have the government realize that those conditions could no longer continue; that we should carry Canadian goods over Canadian railways and out through Canadian ports, on both the Atlantic and the Pacific.

Then in 1903 there was placed upon the statute books of Canada the Transcontinental Railway Act which assured to the people of Canada, east, west and in the centre, a line of railway coming through from Vancouver to Edmundston and from Edmundston down to Moncton as a common centre for Halifax and Saint John, reducing our mileage by about 150 miles. Under that contract, sir, it was provided that the Grand Trunk should operate that line of railway; that they should build piers; that they should build or charter ships and that they should carry every bit of freight, unless specifically routed otherwise, through Canadian ports.

Mr. COLDWELL: Mr. Speaker, I should like to know just what bearing this has on an irrigation problem.

Mr. FINN: It has not very much to do with irrigation in the west, but it has to do with living in the east. You want water in the west; we want business in the east. That is the answer to my hon. friend, and when he has an opportunity to express his views he will not find me taking any exception to what he says. I look to the chair; if the ruling is that I am out of order I shall respect that ruling, and I thank the hon. gentleman for giving a hint which no doubt will be taken.

The ACTING DEPUTY SPEAKER: I hesitated to interrupt the hon. member, who is an old member of the house, but I really cannot see any connection between what happened in South Africa in 1900 or what happened in Nova Scotia during the time of confederation and the resolution before the chair, which has to do with the feasibility of irrigating the drought stricken area of Saskatchewan and Alberta.

Mr. FINN: Well, sir, I bow to your ruling, but this afternoon when the Speaker himself was in the chair, the hon. member for Greenwood (Mr. Massey) dealt with the very matters to which I am referring, and nobody called him to order. Perhaps it is because he is a "big" fellow and I am a little fellow that I am called down and he was allowed to stand up.

In closing, let me say that if this is not pregnant to the matter under consideration, later there will be an opportunity to deal with it. Then it will be in wholesome form, well nourished and well developed, and I hope that the ears of every hon. member will be open. I shall be within the rules of the house on that occasion. Therefore, Mr. Speaker, I accept your ruling and offer my apologies if I have transgressed. I offer apologies too for my hon. friend the good member for Greenwood, because he cannot speak a second time.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, I am sure the preceding speaker will pardon me if I do not endeavour to follow him in what he has said.

Mr. FINN: I thought you must have got your inspiration from your right.

Mr. DOUGLAS (Weyburn): The discussion this afternoon and evening has been both interesting and instructive, and as seconder of the motion I should like to spend only a few moments in dealing with some of the objections that have been raised by some of those who have spoken to this motion. I think those objections may be classified, roughly, under two headings: First, the objection of those who point out that there is now being carried on under the prairie farm rehabilitation administration all the work necessary and, second, the objection of those who feel that irrigation and water conservation are not feasible.

I want to deal with those two objections, and first with reference to the matter of the prairie farm rehabilitation administration. The hon. member for Swift Current (Mr. Bothwell) —and I need not repeat what he said—outlined ten objectives of the Prairie Farm Rehabilitation Act. I draw the attention of the house to the fact that those ten objectives have to do with such things as substations for experimental farms, farm improvement associations, reclamation stations and soil survey, all of which are for the purpose of gathering data and securing information.

The prairie farm rehabilitation administration has done excellent work in mapping out the general course that a program of rehabilitation ought to take, but it has not had sufficient funds at any time to put on, on a large scale, the program necessary to meet the problem of drought in the prairie provinces. In the discussion which took place last year on the Prairie Farm Rehabilitation Act, along with other members from the west I commended what had been done under that administration. But I submit that the figures given this afternoon by the hon. member for Swift Current show that the prairie farm rehabilitation administration is, more or less, dealing in a "penny ante" way with the question of drought. The figures in connection with dugouts would seem to indicate this contention. There have been 11,000 applications, 5,500 of which have been approved and only 4,300 completed. The hon. member for Swift Current said—and I take this to be pretty well the general attitude of the government—"It is better to get people to assist themselves than to have large scale expenditures by the government." I took his words down, but he may correct me if in any way I have misquoted him. I believe that would seem to describe the prairie farm rehabilitation program. It is an attitude whereby the people are asked to assist themselves to meet a problem of drought. I would point out, however, that when you ask the people in a drought area to assist themselves you are asking them to try to lift themselves by tugging at their own shoelaces. You ask a man to put in a dugout or a dam for eight cents a cubic yard when, as the hon. member for Wood Mountain (Mr. Donnelly) pointed out, it takes at least twelve cents, if not more. It means that he must have horses —and a lot of farmers have no horses. It means extra feed for those horses, because they have to work. If they use farm machinery it means fuel consumption. The same is true of planting grass seed. The fact that the farmers have not horses or feed for horses, and that they have not fuel for their tractors makes it impossible to carry out many of the excellent schemes suggested in the rehabilitation program.

The prairie farm rehabilitation administration has done excellent work. It has surveyed the field, and as a result of its work I think we shall not make mistakes which would have been made, had they not done the preparatory work. But I feel that the resolution calls for a thorough investigation of the feasibility of water conservation, irrigation and other means of combating drought, and that those matters ought to be considered thoroughly by a competent body.

I come now to the second objection, namely that such a scheme is not feasible. I am not a civil engineer, nor was any hon. member who spoke this afternoon. The hon. member for Swift Current said it had been authoritatively stated that irrigation in Saskatchewan was not feasible. For proof, he quoted Mr. John Vallance the head of the prairie farm rehabilitation administration, and the liaison officer Hon. George Spence, but may I point out that neither of these gentlemen is a civil engineer.

I suppose it would be possible for hon. members on both sides of the house to quote engineers, both pro and con, and still not get anywhere. The motion does suggest, however, that we as laymen shall neither sneer at the projects nor become eulogistic about them, but that we should endeavour to secure the best possible professional advice as to the feasibility of water conservation on the prairies.

With that in mind I should like to deal with my impression of the feasibility of these projects. I am thinking now of what is being carried on just across the international boundary between the United States and the Canadian drought area. In the last two years I have made it my business to make frequent trips into the area south of the border. I have gone into North Dakota, South Dakota and Montana, and have studied what the

Americans are doing under their rehabilitation plan. I am cognizant of the fact that they are spending sums of money out of all proportion to the sums we are in a position to spend. Their population is much more dense, and the government has been willing to put large sums of money at the disposal of their engineers. But when one talks about the feasibility of what is being done there one can only speak of what he has seen of what is actually being done. Sometimes I have spent a week at a time with some of their engineers, visiting their different projects, receiving explanations of what they are doing and going into the homes of their people. The engineers explain that they are working on two principles, the first of which is that the drought is a recurring problem. They say that there have been droughts in the past, and that it is reasonable to expect that there will be droughts in the future. They say, further, that now during a period of drought, is the time when it is easiest to persuade governments and people concerned to look into the question of recurring drought.

To that end they are now setting up the necessary means whereby, when the moisture does return, they will be able to conserve it against the needs of future drought periods which they know are bound to come. The second principle on which they are working is one which was not mentioned this afternoon, namely, that the problem cannot be attacked on one front. It must be attacked on a number of fronts. They say quite frankly that there are large areas where irrigation is not feasible. There are some areas in which one procedure will solve the problem, and there are others where that same procedure is not a solution.

With that in mind I wish to outline the three main lines of approach which they have used. The first has to do with water conservation itself. In that connection they have spent money in putting in dams to hold bodies of water in rivers and creeks, and to prevent run-offs. By this means they have succeeded in having creeks backed up into gullies and sloughs, and have succeeded in holding bodies of water in the little hills of northern Montana and in supplying waterholes for the stock. A number of large dams have been built. Some of the engineers state frankly that if they were doing this work over again they would not build some of the very large dams on which huge sums of money have been spent. For instance, they say Fort Peck dam, which is a flood control project rather than an irrigation dam, has cost well over $100,000,000. They state they would have been further ahead if they had built a number of smaller dams. More would have been accomplished with a smaller expenditure of money. But they are learning from the mistakes they have made.

The result is that they are conserving bodies of water. For instance, the engineers estimate that the Fort Peck dam will create a lake with a shore line of 1,600 miles and a body of water which will have an effect on climatic conditions. It will be possible for ranchers to water their stock. It will cause creeks to back up and fill the gullies. They have also gone in for small, individual dams, of which large numbers have been built. This has not been done on the basis of trying "to assist the farmer to assist himself." They have put out gangs of men on a daily wage basis. A gang would be moved on to a farm to build a dam and then move on to another farm, to build another. They have done the same thing in connection with building dugouts. They use drag-line dredges. I saw many cases where they had moved on to a farm and put in a dug-out in a day and a half. Then another gang would come along and plant trees around it, and then move on to the next farm. In the minds of many people water conservation means irrigation and irrigation only. In my opinion, the problem of water conservation is, if anything, more important than the question of irrigation.

The second method they have used is to irrigate. Wherever feasible they have irrigated the land. The hon. member for Maple Creek (Mr. Evans) and others have mentioned the project around Malta, Montana. I went around the Malta country with Superintendent Lantz and saw where they had taken land that was considered hopeless, paid the farmer $3 an acre for it and then proceeded to irrigate it. Under their housing scheme model homes were built with running water and electric lights. The land was cut up into small farms of from sixty to 120 acres and rented out on a thirty to forty years amortization basis.

Of course the best proof of any pudding is in the eating. I went to the home of a man by the name of Karl Blount, just outside Malta. He had been two years on a sixty-five acre farm and he showed me his books. His sugar beet crop alone had netted him $3,000 that year. His wheat had averaged over forty bushels to the acre. He had corn seven feet high and he thought it would run about sixty bushels to the acre. He had taken off several crops of alfalfa and had more feed than he could use. He claimed he had made more money in both the years he had been on that small farm than he had made

in any year he had been on his old farm consisting of one section of land. Of course this is not feasible everywhere, but they are doing it wherever possible.

In other places they have combined dry farming and irrigated farming. They have irrigated a strip of land which has been broken up into plots of up to twenty acres, each with a new house. The farmer grows his feed for his stock and his garden stuff for his family on this irrigated plot, and then back from the irrigated strip he has his huge dry area where he puts in his wheat crop. If his wheat crop should prove a failure he has a guarantee of his garden stuff and feed for his stock. They are trying to meet the problem in the different localities in different ways, depending upon the topography of the country and the economic conditions under which the people live.

I think when we pooh-pooh the idea of irrigation, we perhaps do so too quickly. A famous engineer went through western Canada last year and his reports of conditions were published in the press. One of his statements was that an irrigation project at Riverhurst, Saskatchewan, bringing water down from Moose Jaw to the Weyburn and Souris river would irrigate 7,000,000 acres of the drought lands of southern Saskatchewan at a cost of between $20,000,000 and $25,000,000. I am not in a position to say that that is a correct estimate as I am not a civil engineer like the hon. member for Yale (Mr. Stirling) and one or two others.

Mr. McLEAN (Melfort): Who was the engineer?

Mr. DOUGLAS (Weyburn): Mr. R. O. Sweezey. He travelled through western Canada and his reports were published in the Regina Leader-Post, the Winnipeg Free Press and other western newspapers.

Mr. McNIVEN: What was the cost of his program?

Mr. DOUGLAS (Weyburn): He had a number of other projects, but he estimated the cost of the Riverhurst project as between $20,000,000 and $25,000,000.

Mr. McNIVEN: What was the $400,000,000 project?

Mr. DOUGLAS (Weyburn): The Bow river project to irrigate Alberta and Saskatchewan. I do not intend to go into that, but that was the one.

The third method used in the United States rehabilitation plan was that used in the areas where water conservation and irrigation were not so feasible, and where supplies of water were not available. In those areas they went in for an extensive program of soil drifting prevention. Some hon. members have referred already to the manner in which they tackled this problem by planting crested wheat grass, brome grass and in some cases, soya beans, and also by strip farming. Of course this meant the expenditure of money. I went into one farm just a few miles out of the town of Plentywood, Montana. The soil on this farm had been reduced almost to black sand. The government inspector approved the farmer putting it into crested wheat grass. He put in 300 acres of this, for which the government paid him $7 an acre or a total of $2,100. This meant two things for that man. He was able to finance his operations this year without going on relief and, second, he was rehabilitating his farm.

All though the drought area the United States government has been paying farmers $3 an acre to put in summer fallow in fifteen rod strips. This makes it possible for a farmer to buy feed and carry out some of the suggestions we are always making in circulars, but which we never tell the farmer how to implement.

Before I sit down I should like to say that if such a program of water conservation, of irrigation and of soil erosion prevention could be undertaken, especially during these periods of drought, it would have a twofold beneficial effect. First of all, it would put us in a position to meet the next drought more intelligently and more successfully than we have met the present one. I cannot understand the attitude of some hon. members who keep pooh-poohing the whole idea of trying to deal with this problem from the scientific angle. If the medical men of this country were to inform us that we were to be subjected to the ravages of a certain disease at regular periods, we would organize all the resources of medical science to meet that condition. But when we know perfectly well that periods of drought will come which will upset our economy and cause our people to suffer privation and hardship, we simply sit back and say, "Well some day it will rain." But some day it will stop raining again and unless we are prepared to use the intelligence that we have to meet such a contingency we shall go through these years of suffering again and our children shall go through them after us.

The second beneficial effect would be that money would be spent on wages rather than on relief. The farmers and the unemployed in the small towns and villages could be paid wages. Both in and out of the house we hear mention made of the racketeering that goes on in relief. We hear of the fellow who has

a little ten dollar radio to which he dares to listen. There may be some racketeering, but I believe it is quite small. In my opinion the great mass of Canadian people who are compelled to take government assistance would far rather work for anything they get. I believe we could give them work by setting them to the task of building these dams and dugouts.

Late one night I was going to New Glasgow, Montana, with a number of friends in my car. Not being sure of the road, we stopped to inquire of a farmer just how we could get to New Glasgow. After directing us, he found out that we came from Canada and we stopped to chat. We asked him if he had any crop and he told us he had none at all. We then asked him how he lived, and he told us he had these sheep. One of the gentlemen with me said, "You cannot live on the products of a few sheep." He replied, "Oh, I work on the government WPA." We then asked how much it netted him. "Well," he said, "it varies. We get ten days a month, and some months I get more. My cheque last month was $98.80." The gentleman with me asked, "Is that charged up against your property?" He looked as though we had come from another sphere. "No," he said, "that is wages; I work for it."

There are thousands upon thousands of farmers in the drought area to-day who would like to say, "It is wages; I work for it." And such could be done, Mr. Speaker. We talk to-day about spending money for many other purposes which in my opinion would not give us as great a return in terms of human happiness and future prosperity as spending our money to conserve water against future periods of drought.

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, the discussion this afternoon and evening on this interesting subject has covered a very wide range. It has gone all the way from the Orange Free State to the great American desert, and from the head waters of the Athabaska to the watershed of the St. Lawrence river. That, I suppose, may be taken as an evidence of the importance of the subject and of the general interest it arouses.

If this problem could be solved by theoretical discussions, then I think the speaker who preceded me (Mr. Douglas) could make a useful contribution to its solution. But, Mr. Speaker, it is a practical problem, a very practical problem, and it must be so regarded.

The mover of the resolution (Mr. Coldwell) states in its terms that there should be "a comprehensive and authoritative survey of water conservation, irrigation possibilities, and other feasible projects" looking to a permanent rehabilitation of the drought-stricken area. In that respect it is interesting to review what has been done in the way of meeting the proposals contained in the resolution. My hon. friend in his opening remarks quoted from Palliser's report and from the reports of one or two others as to the conditions which they found almost a century ago when they made their first journey across the prairies. There is no doubt that a very large part of Saskatchewan and Alberta is subject to recurring drought. That has been known for many years.

I would agree also with the criticism which has been made in the discussion this afternoon that it was a mistake to open up all of that country for wheat growing or cereal production. Without question large areas of it should have been reserved for ranching, for which, generally speaking, it was naturally well adapted.

The possibilities of drought received early attention. I can recall, because I have lived in western Canada for a good many years, that the popular conception in the nineties, of last century, was that the great part of southern Saskatchewan was not adapted for grain growing and never would be. That is the view which was held at that time, and it was the view, I think, which was held originally by those who had to do with the building of the first transcontinental railway, because the first survey of that railway, on the engineering reports available, placed the line a great deal further north than the location where the Canadian Pacific railway was finally constructed.

As I have said, droughts have recurred frequently. If we study the rainfall in western Canada we find that, taking Manitoba, Saskatchewan and Alberta, probably the heaviest annual rainfall is in the Red river valley, where it amounts to about twenty-one inches per annum. The rainfall gradually lessens as you move westward until in the western part of Saskatchewan and the eastern part of Alberta—I am speaking of their more southern parts, what is now referred to as the drought area—the rainfall runs from twelve to thirteen inches, and in an exceptional year to probably fourteen or fifteen inches. Now, if the rainfall is well distributed and comes at the right time, you get crops; if it is not well distributed as to season, then you have a certain amount of drought, and consequent failure of crops. That was all recognized a great many years ago, when as far back as 1894 the first Irrigation Act was passed by the federal parliament relating to the drought

areas of what was then the Northwest Territories. Under that act the ownership and control of the water available in western Canada was reserved for public control, and those rights, I understand, passed to the provinces when the natural resources were transferred some seven or eight years ago.

Mr. BENNETT: No, the water rights did not.

Mr. CRERAR: I always bow with great respect to my right hon. friend's opinion, but I think they have the control of the water.

Mr. BENNETT: There was a dispute about the matter, and I think finally counsel arrived at the conclusion they had been wrong in advising as they did. If you look at the act approved by the imperial parliament, transferring the resources, you will see that it did not mention waters. It had been thought that the word "lands" was broad enough to cover it, but in view of the fact that the restrictions are as they are, I think the opinion of counsel is that the waters have not passed.

Mr. CRERAR: I know there is that difference of opinion, and it is probable that legislation will be before parliament this year to clarify that point. The law officers in certain of the provinces hold that the waters were not included; others held that they were; but at any rate the intention was to include them, and I mention that for a reason I shall give presently.

Following the setting up of the prairie provinces, more effective steps were taken to ascertain the volume of water and the annual flow. There were finally set up in Saskatchewan and Alberta several hundred stations by which the flow of water in each of the streams could be scientifically measured. That work was carried on until the transfer of the natural resources, and all that data is available in the old files of the Department of the Interior at Ottawa, and I believe also in the records transferred to the provinces.

Mr. BENNETT: And in the report of the Minister of the Interior in some cases.

Mr. DUNNING: From year to year.

Mr. BENNETT: Yes, in part.

Mr. CRERAR: So all the data as to the volume of water and rate of flow in these streams is to-day available in the department here or in the provincial departments having to do with the matter.

There are three sources of supply for water for the agriculturists in western Canada, or, shall we say, in the drought area. There is first the subsurface water; that is the water which is secured from digging or drilling wells, and the like. The information on that was fragmentary and incomplete. In 1935 my right hon. friend the leader of the opposition (Mr. Bennett), when he was in charge of the administration of this country—and I think this was one of the really good things he did—appropriated a very considerable sum of money to have a survey made. As a result, under the geological department of the mines branch, a survey was made of all the municipalities from the international boundary in Saskatchewan as far north as township 33. That was almost two hundred miles. That information has been plotted by the geologists and is available to any farmer in the municipalities surveyed who wishes to obtain it. It gives useful data on the water possibilities, and that data is being taken advantage of to-day in the rehabilitation program which is being carried out in those provinces as far as water supplies are concerned.

The next source of water is the ordinary spring freshet. The snow or rain falls over the vast prairies and eventually the water runs off.

The next source is that which comes from the eastern slope of the Rocky mountains or the foothills of the Rockies. There we find the origin of the great rivers of western Canada. A number of these rivers come down in the province of Alberta almost from the international boundary right to the northern section and they find their way into the two forks of the great Saskatchewan river. Some of these waters are international. That is to say, we have a stream rising in the United States, flowing into Canada and finding its way ultimately into the Saskatchewan. We have other cases where a stream rises in Canada and flows into the United States. We have one case where the river rises in the United States and flows approximately one hundred miles in Alberta, finding its way back again into the United States. So far as these streams are concerned, their use is regulated by international treaty, and Canada cannot take more water from them than she is by treaty entitled to take.

As a result of the conditions obtaining in these western provinces some irrigation projects have been undertaken, but before discussing that phase of the subject perhaps I had better complete the point I was making. These streams have all been measured. Information regarding the total volume of water, the average over a great many years, is available, and consequently with that information in hand it is quite a practicable matter to estimate the extent of land that

could be irrigated by means of the water which can be made use of. In that respect the information asked for by my hon. friend in his resolution is, I submit, available for all practical purposes.

In consequence of the drought conditions in some of these areas irrigation projects have been undertaken and I would refer to these very briefly for a moment or two. There is one project known as the Alberta Railways Irrigation Company. That was southeast of Lethbridge and was designed to irrigate 130,000 acres.

Mr. BENNETT: That is the oldest one.

Mr. CRERAR: Yes, my right hon. friend is quite correct; that is the first project of this kind undertaken. The capital cost in that case was about $20 an acre. The next one is a project which was undertaken a great many years ago by the Canadian Pacific Railway about fifty miles east of Calgary. That was designed to irrigate 220,000 acres and cost about $5,000,000.

Mr. BENNETT: The intake was at Calgary from the Bow river.

Mr. CRERAR: Yes. Then further east still, in the Brooks district, another irrigation area was set up which was designed to irrigate 400,000 acres at a cost of $11,000,000. My right hon. friend's residence in Alberta will have furnished him with more information than I possess, but I can recall the complaints which were made many years ago by farmers in the Brooks district about the irrigation facilities provided for them and the prices they had to pay for the water they used.

Mr. BENNETT: It was too expensive, they said.

Mr. CRERAR: It was too expensive, and as a result of that I am correct in saying that the final solution of that scheme was the transference of the whole works to a cooperative group of farmers in the Brooks district. It is now managed and controlled by them. So far as the Canadian Pacific Railway is concerned, I think it made a very considerable contribution to the welfare of the farmers of that district.

Mr. BENNETT: They gave the works in the eastern section to the farmers, together with a sum of money to enable them to make the works operative.

Mr. CRERAR: Yes. There was another undertaking started west of Medicine Hat.

Mr. BENNETT: I would not say too much about that.

[Mr. Crerar.]

Mr. CRERAR: This one, from information I have, had rather unfortunate results.

Mr. BENNETT: It had a bad start.

Mr. CRERAR: Perhaps it had a bad start, but at any rate it had a bad ending.

Mr. BENNETT: It is not ended yet; there was a lot of money in it last year.

Mr. CRERAR: There was a company that acquired 500,000 acres. They commenced as far back as 1909, and according to information supplied to me, they have spent $15,000,000. The amount of land that is being irrigated at the present time is 35,000 acres. All this indicates, therefore, that it is necessary to examine with some care before we rush into vast expenditures for purposes of irrigation.

In addition to those I have mentioned, there are a number of smaller undertakings that have been developed, such as the Lethbridge Northern, a small area at Taber, and altogether some half dozen or more. These were small projects that were started more or less on a local basis and financed with some outside assistance.

Mr. BENNETT: In the case of the Lethbridge Northern the province guaranteed the bonds.

Mr. CRERAR: Yes; in the case of the Lethbridge Northern the province guaranteed the bonds. Some of these have done very well. It bears out the view that where you select your area carefully, where your water can be put on at a reasonable cost, where there are farmers who will take the trouble to learn how to handle an irrigation project, you can attain a very considerable measure of success. Probably the most successful of these is the one adjacent to Lethbridge. There, as a result of irrigation, they are engaged in a type of quite intensive farming, producing sugar beet and alfalfa, and unquestionably they are getting good results.

During the years I have mentioned other projects were surveyed by the dominion government when it had charge of the lands in western Canada. Preliminary surveys were completed on these. There was one known as the Lethbridge Southeastern. There were in that 315,000 acres and the estimated cost—I would direct the attention of the house to these figures particularly—was over $40 an acre.

There were several others, including finally one known as the North Saskatchewan project. That project contemplates the diversion of the waters of the North Saskatchewan river somewhere west of Prince Albert, bringing them down over the countryside of which

the hon. member for Rosetown-Biggar (Mr. Coldwell) spoke this afternoon, to irrigate the lands lying beyond. They hoped in that scheme to embrace some 1,410,000 acres but the cost would be about $75 an acre. There is no question that engineering science could solve the problem of irrigation. As an engineering question it is not an impossible thing I suppose to take the waters of lake Superior and put them on the prairies of Saskatchewan. But it has to be regarded also from the practical point of view. I ask the hon. member for Rosetown-Biggar or any other hon. member, Is it a practical thing to burden land with $75 capital cost an acre to put water on it and the management expense, on top of that, and then expect farmers to carry it?

Mr. DOUGLAS (Weyburn): Does the minister cite that figure of $75 an acre as a general figure?

Mr. CRERAR: No; this is just in that particular case. The figures run from $35 to $75 an acre. That gives a general picture of these projects. In the surveys made by the water powers branch at that time—and they were very complete surveys—they estimated that if all the water were utilized, probably 7,000,000 acres at the outside might be irrigated. Understand, that is all the water coming from the mountains. But that again is an impossibility. These small projects, where you can get the water on the land cheaply, are practicable propositions; but on the scale spoken of by the hon. member for Rosetown-Biggar this afternoon, taking the water, say of the South Saskatchewan river and pushing that water down, let us say to Estevan, that, I think, is a wholly impossible proposition. In the first place the banks of the Saskatchewan river are from 100 to 300 feet high, practically all the way from Medicine Hat on. The water would have to be lifted that height from the river before the diversion over the land began. In the second place there are important cities along that river. Lethbridge gets its water supply from a tributary of the Saskatchewan river, and the town of Medicine Hat, with a population of 10,000 or 12,000 people, gets its water supply from the Saskatchewan river. Saskatoon, farther down, with a population of 45,000, gets its whole water supply from the Saskatchewan river, and my information is that they have no other source to depend upon than that. Consequently, if the waters of the river were lifted and sent over the prairies as far as Estevan, you would have the problem of the water supply for these towns and cities.

There is also another aspect of the matter which might bring about complications. The South Saskatchewan is an interprovincial river. It is an important tributary of lake Winnipeg. If we could conceive it possible to divert all the waters of that river west of Prince Albert, Manitoba would be at once interested, because that would have an important effect on lake levels in Manitoba and on works which would be affected thereby. I need not say what effect it would have on areas lying east of Prince Albert.

I think the facts I have given are sufficient to indicate certain conclusions: First, that there is to-day a complete body of information available along the lines suggested in the resolution of the hon. member for Rosetown-Biggar. In the second place extensive surveys have been made as to the possibility of utilizing the water available for irrigation in Saskatchewan and Alberta. May I say in passing that these reports indicate that of the acreage which could possibly be benefited by irrigation over ninety per cent is in Alberta. So that if we look for relief in undertaking vast and costly schemes of irrigation on the prairies I am afraid we are doomed to disappointment. That, however, does not mean that in certain localities irrigation projects cannot be undertaken, but such projects must be on a modest scale such as those being undertaken to-day, which are situated almost entirely in Alberta.

I may then be asked the question, How are you going to deal with this problem? I do not think it can be dealt with in any other way than that which is being followed to-day. We may not have reached perfection by any means in the work carried on under the Prairie Farm Rehabilitation Act. But, as I have already stated, under the initiative of my right hon. friend opposite, that survey was undertaken of all the municipalities in southern Saskatchewan. The results of that survey are available. Also under the prairie farm rehabilitation scheme dams are being built to conserve the water as the snow melts in the spring and hold it. That scheme can be extended at but a fraction of the cost which would be involved in diverting the Saskatchewan river to the prairies of Saskatchewan, if that were a physical possibility. With these go the suggestions made by the hon. member for Swift Current (Mr. Bothwell) who made, I thought, a very practical speech to-day, as well as did the hon. member for Wood Mountain (Mr. Donnelly) in relation to this whole problem. There is no doubt that improved methods of farming can be found that will be of benefit to the agriculturists in these drought stricken areas. We know that progress is being made. There is hardly any limitation to what science can do. Crested wheat grass,

a plant which is very strongly drought resistant, has been mentioned this afternoon. With improved knowledge and the application of that knowledge to agricultural practice in these provinces, along with the work being done under the Prairie Farm Rehabilitation Act, will be found the best road to the alleviation of the unfortunate conditions of recent years.

One point more and I am finished. I have lived in western Canada practically all my life. It has been my good fortune to be pretty well acquainted with our vast prairie country. There are not many parts of it that I have not visited at one time or another. I know its possibilities. It is true that in the last several years it has been sorely stricken. On top of the misfortune of drought, there was, owing to general world conditions, a time of low prices which further aggravated the situation as far as our farmers were concerned. But I still have faith in western Canada. In 1928, only ten years ago, the wheat fields of the prairie provinces contributed 540,000,000 bushels of wheat to the grain production of Canada, and of that amount over 300,000,000 bushels came from Saskatchewan.

I am convinced that those days will return and that western Canada once more will come into its own. I regret to see the picture painted in the dark, gloomy colours my hon. friends sometimes use in the house. We want to look at facts fairly and squarely, but there is nothing to be gained by giving the impression to the whole of Canada, and indeed to the whole world, that unless we spent hundreds of millions of dollars in irrigation projects, the country is gone and will never come back. I do not believe that. I think it will come back. What is needed to-day is a sane, sensible, practical method of going at the difficulty, and I believe that is what the government is doing in the projects which it is carrying on so well under the present Minister of Agriculture (Mr. Gardiner).

Mr. MALCOLM McLEAN (Melfort): Mr. Speaker, in rising to say a few words on this motion, I believe one or two phases of the question which are very important to water conservation in western Canada have not yet been touched upon. Before I go further I should like to say that in western Canada to-day that work is being carried on by various agencies of government, and from what I have learned and seen, I think it is being done intelligently and well. I think the seeding of much land to crested wheat grass, sweet clover seed, non-creeping brome grass and other seeds grown very largely in north-eastern Saskatchewan, which has been done quite freely in the past two or three years, will help a great deal. Better methods of farming, too, will not come amiss; there is no question about that; but, after all is said and done, it is imperative that to produce their best those lands receive more moisture.

There is only one place where that moisture is likely to come from; that is from the clouds above, when they come laden with moisture from the gulf of Mexico, where the scientists tell us they get it. When the warm moisture-laden clouds meet the cold clouds from the north and burst over the prairies; when, in addition to that water, you have medium or moderate temperatures, particularly during the month of July, with winds that are not too high, then again there will be crops in western Canada, as there were in years past. The combination of events that happened last year, and in other years, may or may not occur again. It is not so much a lack of moisture as it is a lack of moisture at the proper time. It is not so much a lack of moisture as the excessive heat, accompanied by high, driving winds which take what little moisture there is out of the soil. I want to say to hon. members from other parts of Canada, who perhaps have not thought of this phase of the problem, that last year, as I happened to see for myself, the fact that any crop at all was harvested in Saskatchewan was indicative of the quality of the soil and the tenacity of nature in making wheat and other grains hold on in spite of the difficult conditions they came through. In some districts a fair crop was produced; in other districts the crop was astonishing in view of the weather conditions that had prevailed.

Let me give an actual example. I happened to be on my way to the city of Regina on the first Sunday in July of last year. It was extremely hot. The following day was still hotter, with a wind from the south blowing, I figured, at least forty to fifty miles an hour, or perhaps more. The temperature rose to 110 degrees in the shade in Regina by the middle of the afternoon. The leaves of the poplar trees were curled. All that day and the following day, which was a little cooler, those leaves remained curled; but in spite of that heat, with little moisture, here and there near Regina there was an occasional quarter section which had been well cultivated, well summer fallowed and well fertilized, that gave a crop ranging from five to ten bushels an acre of wheat of pretty good quality. I say it is one of the most comforting things we have seen in the past few years of unparalleled difficulty, to find that soil, after standing all that punishment, can produce even five to ten bushels of wheat to the acre.

I agree with the object in the minds of the mover and seconder of this resolution, but I

cannot agree with some of their diagnoses of the problem with which we are confronted. I have not very much cause for disagreement with the hon. member for Rosetown-Biggar (Mr. Coldwell); but when he advised the house that it was because the short grass was short and did not take much moisture that the early crops of wheat could be grown successfully, I think he was putting the cart before the horse. I think the grass was short because the moisture was limited. Had it been otherwise the grass would have grown tall. That is what happens in northern Saskatchewan, where the grass grows so tall, but unfortunately that grass freezes as soon as the frost comes, and is of no further value for feed. The short grass that grows where there is little moisture matures right as it stands and is useful all winter. In fact, it is useful after two or three years; the crop of two or three years can be cut, harvested and stacked at the one time, and it makes very good feed. So the fact is clear that in the past many years in that short grass country there has been a scarcity of moisture at all times.

It was not for nothing that this country was called part of the great American desert; but under scientific farming, with good summer fallowing methods, which were practised first by Angus MacKay at Indian Head; with a system of chemical fertilization, which many modern farmers are using to-day to enable the wheat plant to get ahead of the normal period of the season and take advantage of the moisture in the soil during the earlier and cooler parts of the season, we may produce wheat on these dry lands better than ever. Furthermore, Mr. Speaker, it is being produced more economically. Thirty years or so ago harvesting began at the end of August or early in September, and threshing was finished by New Years, or as soon after as possible. Last year threshing started some time in July; the whole operation was cleaned up by August, and fall ploughing was pretty well through early in September.

My hon. friends who moved and seconded this resolution also drew attention to the fact that none of those who had spoken on it was an engineer; all were laymen, and the suggestion was that their opinions should not be taken too seriously. I wish to thank them for that caution, because sometimes I look across at those who are laymen in this line, though they may be advanced in other kinds of learning, and I should like to draw to their attention the fact that they did not quote any great body of scientific engineering thought in connection with their argument. I want to avoid falling into that error, and in a few moments I should like to point out what the engineers do say and have said after actual surveys of conditions that govern the watershed of western Canada. First, however, may I say that there appeared in the press the other day, a significant dispatch, which I do not think has been referred to in the house. I should like to put it on the record, because in my opinion it is perhaps the most important matter that we have to consider at this moment. This is a dispatch appearing in the Calgary Daily Herald of February 12, 1938:

Give Forest Area Back to Dominion
East Slope Reserve Too Costly for Revenue, says Tanner

(By Herald Staff Reporter)

Edmonton.—The province of Alberta is prepared to surrender its administrative rights to the east slope forest reserve, extending from Waterton Lakes Park north to the Brazeau reserve, to the dominion government, Hon. N. E. Tanner, minister of lands and mines, announced at noon to-day. Mr. Tanner said that negotiations between the province and the federal government had been under way for some time.

Considerable disparity between the expenditure in administering this area against the amount of revenue received, resulted in the decision of the provincial government to give control of this large area back to the dominion, the minister said.

Alberta took over administration when the natural resources were returned to the province in 1930.

"It is costing the province so much more than the returns therefrom, that we feel it will not be possible to continue this expenditure," he said.

"This forest reserve is a watershed which regulates the water flow from the headwaters of the tributaries of the Saskatchewan river and therefore is of great benefit to the other prairie provinces.

"We feel that the fire protection in this reserve is of very great importance, not only to Alberta, but to the other prairie provinces and this view is accepted by the dominion government.

It is hoped that as a result of this they will take over the administration of the reserve. If it is left with the province we will be forced to curtail our protection which we feel will be detrimental to the interests of the three western provinces" Mr. Tanner said.

The minister said he disliked taking this position but was forced to do so on account of the inability of the treasury to keep up the expenditures, which were not in line with the benefits of the province. He expressed himself as pleased with the reception given him at Ottawa.

Apparently the credit that is in a drop of ink at the end of a fountain pen which was going to be used by the present government of Alberta is not enough to give fire protection to the forests on the eastern slope. In that case, they come to the dominion government,

and I think it is only sensible to ask that something be done or that some arrangement be made whereby the eastern slope may be protected. That slope is of great importance not only to Alberta but to the three western provinces. It consists of an area about 350 miles long, from southeast to northwest. It is about ten miles wide at the narrowest point, and about seventy-five miles wide at the widest point. On an average it is about thirty miles wide. In that area of 350 miles by thirty miles there is a very great deal of land. The interprovincial area, which forms the head waters or gives rise to the head waters of those rivers which come into Saskatchewan and Manitoba, covers about 9,813 square miles, or 6,280,500 acres.

Perhaps small parts of these forest reserves have been alienated for the development of coal mines, or something of that kind. Some may be included in the parks which are nearby. These forests are covered with timber growth, but as they are largely inaccessible their forest value is quite low. They contain an abundance of cheap timber, which is suitable for mining purposes, and in the course of time this, if it is preserved, will be worth more than it is to-day.

But from the standpoint of recreation this area is valuable. Several national parks are in close proximity to it; in fact some of them constitute part of what was in the original Rocky Mountain forest reserve. Due to the proximity of the parks and the protection of wild animal life in them, there is in this area an abundance of good hunting and fishing. Wild life of all kinds is to be found, and contributes its share to the national well-being. Forest protection, providing an abundance of good clean water, is as important in connection with fishing and hunting as irrigation is in connection with dry farming.

As far back as 1906 it will be remembered by older members in the house and older citizens in Canada that the public press carried news in which it was stated that Sir Wilfrid Laurier, the then Prime Minister of Canada, called the first great dominion forestry conservation convention. That meeting was held in the city of Ottawa thirty-two years ago, and before it Sir Wilfrid Laurier himself made an address. Sir Robert Borden, the then leader of the opposition, followed him in speaking. The Hon. Sydney Fisher, the then Minister of Agriculture, delivered a lengthy address in which he dealt with matters respecting the preservation of timber on the east slope, in order to protect the water resources of western Canada.

The Hon. Sydney Fisher, away back in those supposedly early days, was far-sighted enough to put forth as one of his views in connection with the proper preservation of timber and water, that some day it might be necessary to use that water for irrigation purposes in western Canada. That very year a commencement was made by setting aside land and forest reserves. About fifty-four square miles was the first block, a small one of course, which was placed in a forest reserve. By 1911, more than 15,000 square miles had been set aside. This amount was added to at different times. Then, there were some withdrawals, until finally in 1930, when the dominion government turned over the care of and proprietorship in the resources to the provinces, this slope amounted to 13,786 square miles consisting of parks and forest areas on the east slope of the Rocky mountains. But 9,813 square miles are still located outside the parks, in the interprovincial area.

At that time, when the dominion government gave up active charge of the land, the territory was fully equipped with trails, lookout towers, telephone lines and all the facilities used in fighting fires and in the protection of forests from other dangers of which they had knowledge at the time.

That fire fighting was being done so effectively, and protective work so adequately that the actual cost of fighting fires which had commenced was about $5,300 a year, as against a calculated average in the last seven years, under provincial administration, of about six times that much. Probably there is no one to blame in the Alberta administration of lands and forests resources. I know what the situation is in Saskatchewan in connection with fire protection. We had a very unfortunate experience last year, in many places. The provinces simply have not the resources the dominion was able to use, and the result is that sometimes I think they have played the game of being penny wise and pound foolish in not giving adequate care and protection to their resources at proper times. Sometimes I think they do not secure sufficient help to care for them properly all the time.

Although mistakes were made, when the dominion did look after any property of that kind it tried to carry out its work to a successful conclusion. So far as the timber in western Canada is concerned, I think it is most regrettable that the dominion should have been persuaded to give up its control of these reserves and that the provinces were anxious to step in.

During the past few years Alberta has done its best to protect these resources. They

have spent about $85,000 annually in the interprovincial area. My information is, however, that they feel to-day that they are not able to spend more than $40,000, or perhaps less than that in the coming year. I put it to hon. members who are concerned with irrigation and with bringing more water into the dry plains of Saskatchewan, to pause and consider what they will do if even less water than is now available should at some future time come down those streams. Certainly, unless the east slope of the Rocky mountains is protected, and unless forest growth is saved through proper scientific forestry and fire protection methods, we are going to be worse off than we are at the present time, bad as that may be.

A very moderate estimate of the cost of maintaining forest and fire protection parties in the territory on something like the scale which prevailed prior to 1930 would be about $125,000 or $150,000. It is said that $125,000 would be the minimum.

Look at the importance of the interprovincial area. We find that it includes the sources of Oldman river, Bow river and Red Deer river. I believe these three rivers unite to form the South Saskatchewan. The North Saskatchewan also finds its source in this territory. Due to fires in past years, much of this area, which was formerly under poplar and spruce, is now under lodge-pole pine. The fires were kind to the cones of the pine trees. The heat burst them open, so that they were able to grow. Those lodge-pole pines increased over the spruce. However, to-day the spruce is coming back, and is increasing in volume over any other variety of coniferous tree.

I believe the timber is going to be valuable in the course of time. The land on which it grows is of no value for any other purpose. However, timber does grow on it, and to conserve moisture I say it should be protected. It is the source of part of that $200,000,000 timber cut which was produced in Canada between 1931 and 1935, three-quarters of which was available for export, and which did so much to maintain our national economy in those years when agriculture was not a profitable venture in many parts of Canada.

If Alberta finds itself unable to finance the project, and cannot make arrangements with the dominion government whereby it would take charge, there will be a great deal of wealth lost in the future value of the timber which will be destroyed, because the woods are growing rapidly, and as the more accessible stands are used up the presently inaccessible stands will become useful. Pulpwood is becoming more valuable. If care is not taken here, conditions would revert to what they were before 1906. It was thirty-two years ago that the first effort was made, at the instance of the dominion government, to protect the forest reserves in that area.

If something is not done, other provinces will suffer. Saskatchewan would suffer probably in a greater degree than Manitoba, although I believe Manitoba would suffer, too. It has been pointed out that Manitoba was interested because of the source of supply of waters running into lake Winnipeg. A great deal of Manitoba would be affected, but not so much as Saskatchewan.

The only place I know of on the North Saskatchewan river where any extensive commercial work has been done in recent years is in northeastern Saskatchewan. Great log drives have taken place in this area for years, and I hope they will take place in the future. I understand that this year there is no logging on that river. They were taking out up to 50,000,000 feet of logs and they had to secure information from Edmonton. I am referring to the time before radios were as common and as accurate as they are now in spreading news. These sources of communication had to be kept open in order to advise them when the flood waters were coming down from the mountains. So many days after the flood waters had passed the city of Edmonton they had to be ready to shove off with their logs in order that the first flood water would take them down as far northeast as the Sipanok channel, down the Sipanok channel to the Carrot river and then down the Carrot and Saskatchewan rivers to the point where they were to be sawn at The Pas, Manitoba. The flow of water in the river would affect that part of Manitoba as well as part of Saskatchewan.

But the flow of water affects the country in other ways. It has an effect on road connections and communications of all kinds. When the water in the South Saskatchewan river gets too low at Fenton Ferry, southeast of Prince Albert, it has an effect on travellers and those using the highway. Going from northeastern Saskatchewan to Prince Albert they have to use the nearest bridge, which adds about twenty miles each way to their journey. The mover of the resolution referred to the potential power developments on some of the rivers. The city of Prince Albert spent from one to two million dollars at Lacolle falls without results to date, and there is considerable additional power that may be developed some time in the future east of that point.

There is a tendency on the part of many people to want the government to do some-

thing quickly, even though it be done unwisely. In my opinion, in a case like this it is better to do nothing rather than to do something unintelligently. Fortunately there is no need to move unintelligently in connection with this irrigation area and the conservation of water. I have in my hand certain reports to which the Minister of Mines and Resources (Mr. Crerar) has made reference. These extracts are from the annual report of the reclamation service for the year 1922-23, and I should like to deal with what the engineers have said. According to this resolution, the dominion government is being asked to investigate plans or proposals for a comprehensive and authoritative survey of water conservation, irrigation possibilities, and other feasible projects for the permanent rehabilitation of the drought stricken area of western Canada and its people.

The government is asked to make a survey but I want to say that many surveys have been made in past years. I believe that the results of those surveys are just as authoritative to-day as they were when they were made. Many of the physical characteristics of that country have not changed. If a ridge of sand prevented water from being taken through by canal fifteen or sixteen years ago, the same ridge would still prevent that from being done to-day. This report indicates the extent of the work carried on in those years after the war. In connection with the proposed North Saskatchewan river project the report reads:

> This project has been under consideration by the department for a number of years and has been discussed in previous branch reports.
>
> During the past season preliminary surveys were continued, the following parties being employed: One 13-man location party; one 12-man location party; two 13-man levelling parties, and one 4-man reconnaissance party. These were employed during the whole of the field season, and an additional 8-man party for the purpose of making reservoir surveys was employed for about two months at the latter part of the season.

In those spacious days following the war a great deal of work was done. Six parties of sixty-three men were in the field surveying in connection with one project.

Mr. BENNETT: Preliminary surveys.

Mr. McLEAN (Melfort): Preliminary, but a great deal of advanced surveying was done.

Mr. BENNETT: That work was described in the report as preliminary.

Mr. McLEAN (Melfort): Yes; I read those words myself and I thank the right hon. leader of the opposition for emphasizing them.

[Mr. M. McLean.]

For two or three years prior to that time other surveying parties were making preliminary and final surveys in the territory that later was within the constituency of Melfort. They were trying to see how water could be taken off the land so that it could be prepared for cultivation. I am sorry the results in that connection were not so happy, but much surveying work that will be useful in the future was done in the northeastern part of Saskatchewan. The dominion government spent a lot of money on surveys in those days, and I think some attention should be paid to the results. This is what the report has to say about one of the projects:

> The lands comprising this project consist of all lands suitable for irrigation within a tract of 20,000,000 acres, its boundaries extending from a point near Coronation south of the Red Deer river near Duchess, and eastward as far as the South Saskatchewan river near Outlook and Saskatoon. Some investigations have been made to include lands to the south of the South Saskatchewan river adjoining the Empress branch of the Canadian Pacific railway, and also lands to the west of the Red Deer river along Kneehill, Threehills and Ghostpine creeks.

The estimate of the irrigable areas in the various tracts is 1,410,980 acres. I shall not deal with the areas in Alberta as I am not familiar enough with them to comment thereon. However, I should like to give the estimate of the irrigable areas in different tracts in Saskatchewan. They are as follows:

	Acres
Kindersley tracts..	105,630
Elrose tracts..	80,610
Rosetown tract..	436,275
Saskatoon tract..	302,645

The report continues:

> In addition to the above, it is estimated that approximately 135,000 acres to the south of the South Saskatchewan river can be irrigated by crossing the river in section 2, township 24, range 24, west of the 4th meridian, and there would be a considerable area of irrigable lands along Kneehill, Threehills, and Ghostpine creeks. As a result of last season's surveys an area of about 46,592 acres in the Kerrobert tracts previously included in the project has been cut out on account of expense, and other large areas in the tracts have been eliminated for the same reason.

The report shows that 1,410,980 acres were possible of irrigation out of a total of 20,000,000 acres with water to be taken from the North Saskatchewan river. The description of the Rosetown tract reads as follows:

> This tract includes the largest concentrated area of irrigable land in the project. The topographical and soil conditions vary greatly, but generally the lands are from smooth to gently rolling, and the soil generally a light clay loam. Throughout the southern portion in the vicinity of Elrose and Rosetown, from

townships 25 to 30, ranges 11 to 15, the conditions for irrigation are excellent. The surface is smooth but with sufficient slope, and the soil is a light clay loam. Good drainage is provided by numerous creeks and water courses running to the northeast, and except in places along the creeks there is very little indication of alkali. To the north of township 30 the lands are generally a little more rolling, becoming distinctly rolling toward the western limit where the Bear hills commence. This area is drained by Eagle Hill creek and its various branches. To the west of Eagle Hill creek there is good slope, but to the east some of the lands are flatter and may require drainage. There are quite a number of sand ridges, which makes classification difficult, the most notable of which is in the vicinity of the town of Harris on the Canadian National railway between Rosetown and Saskatoon. This ridge is very rough and consists of almost pure sand. It is covered with foliage of various kinds, and a lake situated in these hills has become quite a summer resort. To the extreme north the soil is heavier and the surface more rolling, becoming distinctly rolling toward the northwest limit.

That is part of that 1,400,000 acres. The report goes on to show how the water could be distributed, and then comes a significant passage dealing with the water taken from the North Saskatchewan:

The absorption losses are unusually high, amounting to 53·6 per cent of the gross supply. This estimate of losses is based on 6 second-feet per million square feet of wetted area, except in natural channels of Stauffer creek, Raven river, and Sounding and Eyehill creeks, where losses of one-half this amount have been assumed. The losses in Tramping and Sullivan lakes, over and above the run-off to those lakes, have been taken as equivalent to a depth of 3 feet over the total full supply areas. No losses have been allowed for, in transporting water through the channel of the Red Deer river between the mouth of the Raven river and intake in section 4, township 38, range 25. It is estimated that the run-off particularly from the Blindman river will more than balance the absorption losses. An allowance has been made for riparian rights in Red Deer river of 100 second-feet, and in Clearwater river of 50 second-feet.

In estimating the requirements a net duty of 18 inches on 80 per cent of the irrigable area has been assumed and the methods of monthly distribution are as follows: May, 2 inches; June, 6 inches; July, 6 inches; August, 2 inches; September, 2 inches.

It is considered impractical to operate canals from the rivers before the beginning of May and after the end of October, and in preparing the tables an open-water season of six months has been used. Allowing for absorption losses at 53·6 per cent of the gross supply the requirement for 1,410,980 acres is 3,648,157 acre-feet, which is equivalent to a continuous flow during the open-water season of 10,015 second-feet. For the purpose of regulating this flow to provide for peak load requirements the following storage is required.

Then is set out the tremendous amount of storage that would be required. The report goes on to say:

From the following estimates it will be seen, that it is not feasible at present to irrigate the whole 1,410,980 acres, the estimated cost being $74.84 per irrigable acre. The estimated cost to irrigate 427,360 acres is $55 per acre, which is also high.

The lowest figure they quote under any scheme is $48.50 an acre. Now under those conditions, to ask the government at this time to go ahead and irrigate that land would not, I think, be reasonable. The evidence is there to show how much water it would take, and the cost, and I would point out, if fifty-three per cent of the 10,000 cubic feet per second was totally lost in absorption charges, it would affect very, very seriously the rivers further east and north, flowing through the provinces of Saskatchewan and Manitoba, and even in Alberta itself. I do not know how Edmonton, for example, with a large and growing population, or Calgary, with its large population, or cities like Saskatoon, Lethbridge, Prince Albert, Medicine Hat and other places which depend upon the river for their water, would find themselves situated if 10,000 cubic feet per second were diverted from the upper waters of the North Saskatchewan alone. It is certainly something that must be gone into very carefully before steps are taken to spend money on such a large irrigating project. The smaller works in southern Saskatchewan on the Frenchman's river, where something like 40,000 acres is going to be available for irrigation, if distributed according to the plans which the people of the district are putting into being, would result in eighty acre subdivisions which would be suitable for raising alfalfa and other forms of fodder. When you take into account the higher bench lands, and the dry lands used for grazing purposes, together with the lands down in the valley that can be irrigated from water from Frenchman's river, the irrigation of that tract of 40,000 acres would add a very great deal to the possibilities of that part of the country.

Several speakers have spoken of dugouts, and I know they are exceedingly valuable in northeastern Saskatchewan, and have been for ten years or more. They have been using dugouts, for example, to hold water from the spring run-off, and were it not for that factor many of my neighbours and many people in the constituency I have the honour to represent, would not have had any water

for their farm requirements last year. Even up there they were hauling water quite a considerable distance. One contractor near where I live has put in one hundred dugouts a year, and when my hon. friend speaks of high class engineering necessary to dig a dugout and that it takes a day and a half to do so, I might tell him that a man thoroughly familiar with the business and equipped with the proper machinery can put in a dugout in eleven hours. But these dugouts of which I speak have been put in at the expense of the farmers themselves, and some of them are beginning to think that if there is to be a great deal of assistance given in building dams and dugouts and other means of conserving water elsewhere, then some assistance should be given in northern Saskatchewan and Manitoba because they feel that with the low prices they have received, with the high cost of operation and development, and with the high cost of replacements, some assistance should be given them if it is to be given elsewhere.

Valuable as this resolution might prove to be if it succeeded in inducing the government to do something that had never been done before, it is not of very great value, I think, in view of conditions as we know them as far back as sixteen or twenty years ago. But I plead with you, Mr. Speaker, and every member of the house, to give serious thought to preserving the timber on the eastern slope of the Rocky mountains, because if that goes, the control of the water goes too, and then there will be no wild life, no hunting or fishing, no possible source of water for irrigation or any other purpose, and the great cities that have been built on the rivers will find themselves in a most difficult situation. The timber of north and northeastern Saskatchewan, and Manitoba, and probably of Alberta as well, will also be in danger, and the new fur farms which have been developed in northern Saskatchewan and northwest Manitoba will also be in danger because it is no good putting in dams to hold back water if the water does not exist. But, Mr. Speaker, I am satisfied that moisture is going to come again from the clouds; that the rain will fall and the sun will shine, and the grass and wheat grow in western Canada, and no man is doing his country a service who weakens confidence in its resources of soil and climate and in the likelihood of Providence again favouring us with rainfall and sunshine in due season, which I myself am satisfied we shall have in the future.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. M. McLean.]

Tuesday, February 22, 1938

The house met at three o'clock.

COMPANIES' CREDITORS ARRANGEMENT ACT

REPEAL OF CHAPTER 36 OF THE STATUTES OF 1932-33, 23-24 GEORGE V

Mr. ERNEST BERTRAND (Laurier) moved for leave to introduce Bill No. 26 to repeal the Companies' Creditors Arrangement Act, 1933.

Mr. LAPOINTE (Quebec): Explain.

Mr. BERTRAND (Laurier): This is a very short bill. It asks for the repeal of the Companies' Creditors Arrangement Act, which was passed in 1933, was of a temporary nature, and was never completed. Rules were to have been passed by order in council, but this was not done; no machinery is provided for the operation of the act. It has lent itself to a lot of fraud. A petition is made against a company; the company files a petition to fall under the act, and immediately proceedings in bankruptcy are stopped. No liquidator is appointed, no trustee, no inspector. No examination of the books is made; officers of the company cannot be examined under oath, and nobody knows what is what about the company. Public bodies such as the Montreal board of trade have passed resolutions asking for the repeal of this act, and there is a great deal of protest against it. It will be my intention to ask that the bill be referred to the committee on banking and commerce in order that men from Montreal and other cities may be called who want to come and speak in favour of the repeal of the act.

Motion agreed to and bill read the first time.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1938

Hon. P. J. A. CARDIN (Minister of Public Works) 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 to authorize the Minister of Public Works on behalf of His Majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1938.

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.

CIVIL SERVICE

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO OPERATION OF CIVIL SERVICE ACT

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

That a select special committee of the house be appointed to inquire into the operation of the Civil Service Act, and all matters pertaining thereto, with power to call for persons, papers and records, to examine witnesses under oath, and to report from time to time;

And that standing order 65 be suspended in relation thereto, and that the select special committee shall consist of twenty-five members and the following be appointed members of the said committee;

Messrs. Beaubien, Betts, Boulanger, Brooks, Clark (York-Sunbury), Cleaver, Deachman, Donnelly, Elliott (Kindersley), Fournier (Hull), Glen, Golding, Green, Jean, Lacroix (Quebec-Montmorency), Lawson, MacInnis, MacNeil, McNiven (Regina City), Mulock, O'Neill, Poole, Pouliot, Stewart, Tomlinson.

He said: Mr. Speaker, hon. members will recall that at the first session of the present parliament I indicated that the government had the intention of appointing a special select committee to take into consideration the operation of the Civil Service Act. Owing to the many committees appointed at the first session and the number of matters that came before the house for consideration by a new administration and a new parliament, it was not thought advisable or possible to appoint a committee at that session. Last session, as hon. members will recall, owing to the coronation and the imperial conference there was a desire to expedite the business of the house, and it was thought advisable not to appoint a committee at that time. The government is therefore taking an early opportunity in this session of implementing the promise which was made, that a committee would be appointed in the course of the present parliament.

I believe it is a fact that there have been similar reviews of the operation of the Civil Service Act during most of the parliaments of recent years. One reason for periodic reviews is that the needs and conditions of the public service are continually changing; also, the personnel of the house is continually changing. It is important the service should conform to changing needs. It is moreover an advantage to new members as well as old members to have this opportunity of fully appreciating many of the questions which arise in the conduct of the public service, both from the point of view of the civil servants themselves and from the point of view of those who have to do with their appointment. It is in the public interest also that there should be periodical inquiries into such matters as the efficiency of the public administration, as well as the cost of that administration.

The fact that the government is proposing the appointment of this committee at this time does not mean that the government does not hold strong convictions with respect to the public service and the principles which should govern its status and conduct. It does mean, however, that the government believes it will be helpful alike to the government itself and to the service to have the various duties and obligations of the service carefully reviewed by hon. members of this house, so that their experience may be brought to bear upon the act as it now is, with a view to such revisions or modifications as may seem most advisable. I might add the appointment of this committee should expedite the sessional program through the opportunity it will afford of consideration by the committee of proposals with respect to the civil service already before the house, or ready to be brought up by reference to committee.

I might say that the government intends to recommend the appointment of another committee to deal with the Civil Service Superannuation Act. The superannuation act is more concerned with questions which are immediately financial and which are in part technical. It has therefore been thought advisable to have that act dealt with by a smaller committee. It will be general questions and proposals with respect to the public service that will come up for consideration by the committee now proposed.

As to the personnel of the committee, hon. members will realize that the names as set forth are in alphabetical order. There is no significance as to which name comes first or which comes last. The committee will manage its own affairs, in the selection of a chairman as in other matters, but I would say at once that an effort has been made, through the cooperation of the whips, to have the committee as representative as possible not only of the different parties in the house but of considerations of which a committee of the kind would wish to take account. I need not mention what they are. Inevitably there may be a feeling that some persons ought to be on the committee who are not. All have not been accommodated to the extent that the government would wish to accommodate them. However, this committee will be no different from others in the matter of permitting of changes in personnel in the course of its proceedings if that be thought advisable. I just wished at present to inform hon. members that the names here set forth are those that have been given to the government after consultations between the whips of the different parties. I do not think there is anything further I need say at this stage.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I am sure every member of this chamber, as well as the country generally, will be pleased with the next to the last observation made by the right hon. Prime Minister (Mr. Mackenzie King), that from the setting up of this committee there was nothing to be taken that might imply that the government had any doubt as to the necessity of maintaining the merit system and a civil service commission in this dominion at this time. There is no doubt that there has been much discussion, sometimes public and sometimes not, with respect to the civil service commission and its operations; and it is highly desirable, I personally believe, that at least once in the life of every parliament there should be a review of the operations of the act.

The Prime Minister referred to the fact that the proposed committee was not to deal with the financial side of the matter. I observe that that is so, and the only question I had in mind was whether or not under the terms of the reference, namely "to inquire into the operation of the Civil Service Act," the committee would be competent to inquire into whether or not the departments were under- or over-staffed, or whether public moneys were overexpended in any particular place. As it reads now I doubt whether it would be broad enough for that purpose. The "operation of the act" merely means its administration, how it operates in practice, not the sufficiency or insufficiency of the numbers of employees engaged in the public service. That is a matter which is not settled by the act itself but is determined by the ministers, by what they conceive to be the necessities of the public service and by the appropriation that is made by parliament to defray the cost of such public service. It would therefore seem to me, if it is thought desirable by the government so to do, that the terms of the reference should be modified or expanded; for I submit the Minister of Justice (Mr. Lapointe) would say that to inquire into the operation of the Civil Service Act, when the civil service commission itself has nothing to do with the determining of the numbers of people who are to be employed, would be hardly adequate to meet the situation as a whole. I merely mention this because I thought possibly the government was of the opinion that it was not desirable for this committee to consider such questions as the adequacy or inadequacy of the numbers employed in the departments; that that was a matter which more largely concerned perhaps some other branch of the public service and which was to be considered from some other angle.

I can only say it is highly desirable that every section of the country and every party in the house should be represented, as it is here, on the committee, and that an endeavour should be made so far as it may be possible to conduct the inquiry into the operations of the act with only one object in mind, namely, the public good and the extent to which, either by amendment or by new legislation, we may be able to improve the efficiency of the civil service. I thought, and I still think, that the language is not broad enough to go beyond the question of mere administration, and that possibly the Prime Minister and his government were of the opinion that it would be desirable to deal with that from another angle altogether, having regard to the report on professional employees made some years ago, and other matters of the kind that should be dealt with in another way, even as superannuation, which is largely a financial matter, should be considered from another angle than that of the operation of the act itself.

Mr. MACKENZIE KING: Mr. Speaker, may I say to my right hon. friend that there was no intention on the part of the government in any way to restrict the scope of the committee's activities in this matter. As a matter of fact, in speaking I think I made direct reference to the cost of services, which of course would include the numbers employed, and the amounts paid to them. If during the course of its inquiry the committee should feel that there is undue restriction in its scope, it would have power to ask the house to enlarge its authority. I assure the house at once that that concession would be made.

The intention is to have the scope of the committee's inquiry made as broad as possible, and not to limit it in any particular. The purpose of having the Superannuation Act made the subject of a separate committee was simply to ensure that one particular phase of civil service interest would receive a more detailed and careful examination by a committee appointed with reference thereto than would be possible under the general inquiry.

Motion agreed to.

FISH TRAP LICENCES

READING OF PETITION OF CERTAIN RESIDENTS OF BRITISH COLUMBIA UNDER STANDING ORDER 68

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, before the orders of the day are

called I should like to ask, under standing order 68, that the petition I presented yesterday be read.

Mr. SPEAKER: Mr. Neill moves, seconded by Mr. Donnelly, that the petition presented yesterday and laid on the table of the house be read. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

(The Clerk Assistant read the petition as follows):

To the honourable the House of Commons in parliament assembled:

The petition of the undersigned residents of the province of British Columbia, humbly showeth:

That since time immemorial large runs of sockeye salmon have passed the southwest coast of Vancouver island thence passing into American waters in Puget sound and then back to Canadian waters to spawn in the Fraser river.

That for many years we have maintained in the neighbourhood of Sooke on the southwest coast of Vancouver island four or five fish traps and the Americans maintained in their waters in Puget sound several hundreds, with result that our percentage of the joint catch of that run would run about thirty per cent while theirs would be seventy per cent.

That, three years ago the Americans took out all their traps in Puget sound numbering 219 while we retained ours, with the result that our proportion of the joint catch jumped from thirty per cent to fifty per cent and even eighty per cent.

That, the fact that we have not taken out our traps has been used and will be used as a very strong argument by the American trap owners for permission to re-introduce traps on the American side.

That, it is very much to our interests that the American traps should not be re-introduced.

That, there is no truth in the allegation that traps are the only means by which salmon can be taken in our waters in that neighbourhood, as it has been demonstrated that it can be fished by seines, gillnets, and trollers, to which the Americans would have no objection as they use the same gear themselves.

That, the above refers to the sockeye run of salmon but traps are as undesirable as regards the spring and cohoe runs. These fish are heavy in spawn making their way to their spawning ground, swimming in shoals, following the coast line, keeping in shallow water and close in shore so that they fall an easy prey to the traps and comparatively few get by.

That, traps are the most destructive form of fishing known, as they are open day and night and catch every species of fish, large or small, that comes along whether they happen to be out of season or not. Nothing escapes them or gets through.

That, the abolition of traps would lead to the revival of fishing and employment of many local fishermen as was formerly the case, but who, finding their livelihood gone, have had to find other work, often on relief.

That, it would encourage the tourist fishermen who spend their money freely provided that they get good fishing and who to-day are too often disappointed at the present poorness of the fishing in those waters. It would make a great difference to the tourist traffic in the vicinity of Victoria.

That, the abolition of the traps would protect the run of fish, would increase employment instead of, as is the case, exploiting one of British Columbia's greatest assets for the sole benefit of a few.

That, the Associated Boards of Trade of Vancouver island at their annual meeting in June last passed a resolution asking for the abolition of fish traps.

Wherefore, your petitioners humbly pray that your honourable house may be pleased to order that no more fish traps licences shall be granted in British Columbia.

And, as in duty bound, your petitioners will ever pray.

(Signed by Geo. Harris and 9,594 others.)

SUPPLY

NATIONAL DEFENCE AND FOREIGN POLICY—STATEMENT OF MR. MACNEIL

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply.

Mr. C. G. MacNEIL (Vancouver North): Mr. Speaker, before Your Honour leaves the chair, and as the estimates of the Department of National Defence may be introduced, I desire to direct the attention of the government to certain considerations which arise in respect of any discussion of these estimates at this time.

There is grave concern throughout Canada as to the developing international trends, and the possible implications arising therefrom and which attend upon Canada's position in the League of Nations and the British commonwealth. For this reason, without any desire to add to the difficulties of the situation and with every desire to cooperate in the promotion of peaceful external relations for Canada, it is urged that the government should provide an opportunity for the discussion of the general policy proposed with relation to the defence of Canada.

Preparations for defence are necessarily the outcome of foreign policy. It is therefore desirable that the government should give whatever assurance may be possible, indicating that existing commitments and plans do not contemplate participation in external war. It is hoped that the minister will make a statement, before proceeding to the principal items of his estimates, as to the relationship of the defence program to needs which are solely Canadian. Such a statement might serve to obviate unnecessary inquiries or criti-

cisms from those who do not oppose reasonable measures of defence, but who are uneasy as to the purpose and degree of defence.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I say to the hon. member for Vancouver North (Mr. MacNeil) that while an item in the estimates of the Department of National Defence will be called to-day, so as to enable the minister of that department to take up its estimates on Thursdays and Fridays, it is not the intention of the government at this time to proceed with the estimates of the Department of National Defence. When the minister does take up the estimates I understand it is his intention to make a full statement on the defence policy, and also to permit the fullest discussion. Meantime may I say to the hon. member and to the house that the defence policy of the government remains to-day exactly as stated by the minister, and also by myself at the last session of parliament.

Motion agreed to, and the house went into committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF MINES AND RESOURCES

Surveys and engineering branch—branch administration, $24,890.

Hon. T. A. CRERAR (Minister of Mines and Resources): There are five branches of the Department of Mines and Resources and it might be of value to the committee if I took a moment or two to deal with the particular functions performed by this branch. It will be noted there is an item covering the dominion observatory at Ottawa, as well as one covering the dominion astrophysical observatory at Victoria, British Columbia. These observatories have to do with astronomy and the exchange of information with other countries in respect of that science.

There is also the dominion water and power bureau, which has the administration of the Dominion Water Power Act and the Irrigation Act. About ten years ago there was a body set up known as the Lake of the Woods control board, which is included in this branch. Then there is the engineering and construction service which has to do mainly with the work carried on in the national parks of Canada, which are under the administration of this department. It has to do with the building of roads, the preparing of plans for buildings in the parks, and other work of this kind required in the Indian Affairs branch and in one or two other branches of the department. The work of the international boundary commission is under the direction of this branch.

The next item covers the hydrographic and map service. Prior to the formation of the Department of Mines and Resources and the Department of Transport, this branch was a part of the old department of marine. The hydrographic service covers the work carried out in the coastal waters of Canada to determine depths of water, proper charting and proper mapping according to information discovered by day to day testing and exploration. Also included in this service are legal surveys and map service. Provision is made for the printing of the publication of the Canadian Institute of Surveying. A small amount is provided for the payment of fees to examiners of dominion land surveyors. Briefly, this covers the general work of this branch of the department. The first item called, No. 149, has to do with what might be termed the head office expense of the administration of the branch.

Mr. STIRLING: The minister has explained the extent to which the various survey operations of the government have been drawn together; he has referred to the geodetic service, the international boundary work, the legal surveys and map service, and the hydrographic service. But there is still another branch of the department which has to do with geological and topographical surveys. Would the minister explain to what extent there is liaison between these branches and what arrangements have been made for the utilization of these surveys for military purposes? Is there a committee at work to draw together all the surveying work of the department?

Mr. CRERAR: The geological service stands more or less by itself. For instance, there is no intimate relationship between that service and the hydrographic service. Geological surveys consist mainly of the examination of rock formations in order to determine the likelihood of minerals being found. That work is under the mines and geology branch in the department, but legal and hydrographic surveys and the preparation of plans for the building of Indian schools or houses for Indian agents and everything of that kind come under the supervision of this particular branch.

Mr. STIRLING: The minister has stated that of necessity the geological survey must be separate from the survey services for other purposes. Surely the geological information could be published on, say, a topographical map and thus avoid a duplication of services.

Mr. CRERAR: This branch has to do with the printing of maps prepared by the mines and geology branch, and also compiles various maps from existing base maps. Of course, we endeavour to avoid entirely

anything in the nature of duplication in the branch. Considerable progress has been made in the reorganization of this work but I do not say for one moment that this reorganization is completed. To get a large department like this functioning efficiently is not a matter of a week or a month or even a year. It is a case of steadily consolidating the work and weeding out any possibility of duplication. We are aiming to reach the greatest degree of perfection and economy that it is possible to reach. I do not know that there is anything further I can add in that regard.

Mr. STIRLING: Is the coordinating committee still in operation? It was set up for the purpose of seeing that there should be no overlapping.

Mr. CRERAR: There is an interdepartmental committee that has to do with aerial surveys, for instance. Several departments, including ours, are represented on that committee. It aims to prevent duplication between departments.

Mr. GREEN: Apparently this is the branch of the department having to do with road construction. Will the minister give us a statement as to the progress that has been made with the trans-Canada highway so that we may have some idea when the different gaps will be finished and what gaps there are at the present time?

Mr. CRERAR: The only part of the trans-Canada highway that this department has anything to do with, in addition to that section in the National parks, is the section being built in British Columbia to which reference was made a year ago, the section between Golden and Revelstoke. The other part of the trans-Canada highway, of course, has no relation whatever to this department. Perhaps the Department of Transport or the Department of Labour could give information in that regard, but so far as this particular section is concerned, between the points I have mentioned, the distance to be completed is about thirty-three and a half miles.

Mr. GREEN: When will that be finished—this year?

Mr. CRERAR: It is very doubtful whether it will be completed this year; it will depend on the amount of money that may be voted for the work in the supplementary estimates—hon. members will recall that in the past the appropriations for this work have been voted in special supplementary estimates. I am informed that the construction remaining is very heavy and it is doubtful whether it will be completed this year. However, it certainly should be completed in the following year.

Mr. GREEN: Can the minister give an estimate of what it will cost to complete that gap?

Mr. CRERAR: The amount estimated to complete the thirty-three and a half miles is $875,000.

Mr. GREEN: Will this complete the trans-Canada highway from Vancouver to Fort William?

Mr. CRERAR: I think it will be possible to drive an automobile from Vancouver to Fort William over the trans-Canada highway when this section is completed. My recollection is that the section between Winnipeg and Fort William is passable. I believe you can get from Winnipeg to Calgary and from Revelstoke to Vancouver; I know that you can get from Golden to Calgary. It is a rather winding road in some places, but it is quite good.

Mr. GREEN: Can the minister tell us how long the gap is in northern Ontario?

Mr. CRERAR: I cannot give that information. The question does not come within the purview of my department, and I have learned by experience to avoid very carefully any intrusion in respect of the affairs of other departments.

Mr. GREEN: I hope it comes within the purview of some department.

Mr. CRERAR: I am quite certain the resources of this government are not so far exhausted that it cannot give my hon. friend the information, but I am sorry I cannot give it to him to-day.

Item agreed to.

Dominion observatory, Ottawa, $116,700.

Mr. CHURCH: On page 118 we find the details with reference to thirty-seven officials. What is being done by these thirty-seven officials in connection with the earthquake situation, of which a survey was promised last session? There was an earthquake in Hamilton the other day. Under this item I asked a similar question last year, and I think the minister might give us a short survey to indicate what is being done.

Mr. CRERAR: The observatory has apparatus for registering earth tremors. I believe they are so sensitive that they will detect tremors almost anywhere in the world, at any rate thousands of miles away. There have been a few earth tremors or slight earthquakes in eastern Canada in the past year, but I really do not know what the observatory can do about them. The officials can register

them, through the apparatus, and can give information as to their violence, but I am afraid that is about the limit of their power in the matter.

Mr. HEAPS: I notice in the estimates of this department that there are small items for temporary assistance. Can the minister tell us why there are items for temporary assistance in his estimates when I do not see any in any other part of the estimates?

Mr. CRERAR: It is for temporary employees in the observatory who have not been made permanent.

Mr. BENNETT: Will the minister be good enough to tell us exactly what the observatory does and has done? I have formed a definite opinion about it myself, but I should be glad to have the minister tell us what the observatory and its employees are doing.

Mr. CRERAR: The work of the observatory is wholly a contribution to science.

Mr. BENNETT: What is the contribution of this observatory?

Mr. CRERAR: I might read from a memorandum I have here. My right hon. friend smiles; well, I can smile back at him.

Mr. BENNETT: I would feel all the better for that.

Mr. CRERAR: So far as the practical work of the observatory is concerned, I do not profess to be a judge, but I quote from this memorandum:

> From a practical point of view one of the most important lines of work of the observatory is the measurement of star-positions and the determination of time. The principal instrument used for this purpose is a telescope of moderate power mounted in the meridian, called a "meridian circle," with which observations are made on the stars every clear night. Other instruments are various clocks and chronographs. An electrical time service is supplied to the parliament buildings and generally to government offices at Ottawa, over 600 electrical dials, all controlled from the observatory, being installed for this purpose. There is also a radio time service for time-comparison with other American and European observatories.

It goes on to speak about the examination of the sun. I read only a short time ago some observations by a very noted astronomer in which he expounded the theory that sunspots and their duration had a definite effect on meteorological conditions, rainfalls, and so on. The observatory at Ottawa makes all these examinations, and exchanges the information with other observatories throughout the world, and thus a body of scientific information is gathered and analysed which leads to conclusions which in future will probably have a practical value, as they have had in the past. The keeping of an accurate record of the time is also probably of some importance.

I confess that my right hon. friend has me backed up against the wall so far as a detailed knowledge of the work of this observatory is concerned. But the observatory has been in existence for a long time; it is making its contribution to science by the exchange of information it gathers with similar institutions elsewhere in the world, and on the whole, I think it is desirable that it should be continued.

Mr. ROWE (Dufferin-Simcoe): What is the number in the employment of that branch?

Mr. CRERAR: On the staff? There are thirty-seven in Ottawa.

Mr. BENNETT: Is any report published of their work, for the last hundred years or so?

Mr. CRERAR: An annual report is published, as well as, from time to time, bulletins dealing with special investigations they have made.

Mr. BENNETT: Has the report been laid on the table this year? I have not seen it.

Mr. CRERAR: I am informed that general survey of the work done is included in the annual report of the department. But there are other special reports which are available; they can be secured and laid on the table. If, for instance, we have violent earth tremors or matters of the kind, special bulletins may be published.

Mr. HEAPS: Like the minister I do not know a great deal about this work, but I have been wondering whether it should not be conducted in collaboration with one of our universities instead of being directly under government control. I know of observatories in other parts of the world which are part and parcel of the university. Is there any direct connection between the Ottawa and Victoria observatories and the universities in different parts of the country?

Mr. CRERAR: Most of the nations have services of this kind. Great Britain has; also, I am informed, Australia and other dominions. It is quite true that some universities also carry on observation work of this kind, but as a rule they are heavily endowed and so have the financial means to acquire all the equipment, some of it very expensive, that is necessary for their observations. But I doubt if there is any university in Canada that could carry on the work which is being done here and in the astrophysical observatory at Victoria, on their own resources, and I question

whether parliament would want to vote special sums to any university to do the work which is being carried on by the department.

Mr. HEAPS: I was not suggesting for one moment that we do away with the work which is now being done by our observatories. But I was wondering, in view of what is happening in other countries where universities have their own laboratories for this class of work, whether we could not get better results for the amount of money we are spending if this work were coordinated with that of some of the large universities. I hardly expect the minister to be able to give an immediate answer to a question of this kind, but if there could be some coordination between our universities and the work done by our observatories we might get better results than we do by having the work isolated in the city of Ottawa.

Mr. CRERAR: I understand that none of the Canadian universities carry on work of this kind. McGill university, Montreal, however, carries on work relative to determination of time.

Mr. BENNETT: The university of Toronto, in a rather large way, with the Dunlop telescope.

Mr. CRERAR: Yes, but the universities are not equipped for it. For the moment they have not the trained staff which is necessary, and for that reason, at the present time at any rate, I do not regard the suggestion of the hon. member for Winnipeg North as really practicable.

Mr. TAYLOR (Nanaimo): I hope the time will never come when the cultural advancement of this country will depend entirely on the universities. From my point of view the government should lead in all these matters, and I cannot understand why we should not accept rightly expended moneys as the proper attitude of this country to its culture.

Mr. BROOKS: I notice that there are twenty astronomers and one assistant. Are all these astronomers employed in Ottawa or are some of them sent to other parts of the dominion? It seems a pretty heavy staff to be working in and around Ottawa alone.

Mr. CRERAR: My hon. friend will notice that there is a reduction this year from the number employed a year ago. Occasionally some of these scientists leave Ottawa to make observations elsewhere, but the headquarters are here and the staff is attached to the observatory here.

Mr. WALSH: These astronomers, I assume, are well trained. With all due deference to the remarks that have been made, for the most part they are university or college trained men. Looking at the salaries attached to the various items, I should say that if these are well trained scientists they are getting exceptionally low salaries. It is almost a crime for a government to establish a precedent of this kind, in view of the training which apparently is required before a person can call himself an astronomer. Would it be possible to decrease the number of so-called astronomers and increase the calibre or the quality of those who are employed? Certainly the salary is not commensurate with the type of work which one assumes to be required of a person who can call himself an astronomer. I do not like to see a budget increase, but I certainly would suggest the possibility of doing something to make the remuneration of these officials more in keeping with the training they are supposed to have. By reference to other branches of the service it will be seen that they are getting no more pay than persons doing clerical work which does not call for exceptional qualifications. Would the minister give some intimation as to the necessary qualifications of an astronomer in the case of a vacancy? I should like to see some connection between the qualifications and the salary offered. If it is not sufficiently large something should be done to improve the remuneration of these particularly qualified men.

Mr. CRERAR: These positions come under the civil service commission. The commission classifies them and in its wisdom fixes the salary range. If a position is to be filled the civil service commission sets the standard of examination to be passed before an appointment is made. Usually appointees are taken from students in universities who have specialized in mathematics; astronomy I believe is in large measure dependent on mathematical science.

As to the observation of the hon. member that the salaries paid are not in keeping with what scientists of this calibre should receive, I am not qualified to pass an opinion. It is greatly to the credit of scientists that the men who engage in the different branches of science are usually more interested in the work than in the remuneration. That of course is not an adequate reason for underpaying them, but I can only repeat that these positions are classified by the civil service commission and the remuneration fixed by their classification.

Lest there might be some impression that the men on the staff of this observatory are not quite up to the standard we should have, I may say that such is not the case. I am happy to say that I believe the standard of knowledge and ability of the men on this staff compares very favourably with that of any similar staff in the world.

Mr. WALSH: I am inclined to agree with the minister in that respect, and I can also join in the applause of my friend to the left when he suggests that these men are doing a good piece of work and making a sacrifice in the positions they hold. It is a very similar attitude to that adopted towards the teaching profession, of which I happen to be a member. But I think that point of view is fast getting into disrepute, where people are working for the love of the work and not altogether for the remuneration involved. It is time we changed that attitude, and a good place to effect the change is in government service. It will be noticed that you have clerks in practically the same category as far as salary is concerned as an astronomer. Surely a person with the qualifications necessary for the work of an ordinary clerk should not receive almost the same salary as a highly trained specialist in the field of astronomy. There is not enough differentiation, not enough emphasis placed on the qualifications required.

I know the minister probably has very little to do with the remuneration for these various positions, but someone should do something about establishing a new scale of remuneration for government officials so that there will be a greater differentiation between highly trained experts and those who do not require the same degree of training and the same qualifications. I am hoping that in another year we may see an increase, not in the total but in the remuneration of those retained in the service. Such a scale of remuneration as now prevails does not give rise to continuity of service but rather to disruption of service. No trained scientist is going to stay with the government at that salary; he will look for a position elsewhere and take it at the earliest opportunity. The result will be constant change in the branch, which is not good for the service. More encouragement should be given to highly trained experts to take government positions and remain with them so that we may get the benefit of their training and experience. I am hoping that by another year we may see some improvement, particularly now that we have a committee appointed to inquire into the civil service. I am firmly convinced that the labourer is worthy of his hire, and I feel that not only these highly trained government servants but others as well are not receiving pay commensurate with the work we expect them to do. I am hoping that this government will take steps to see that there is some amendment in that respect, so that public servants who are required to do such important work will receive adequate remuneration and there will be some inducement for them to stay in the service.

Mr. MacNICOL: Has the minister in his department officials who are drawing two or three or more salaries? I noticed, going through the public accounts, that there are officials who draw salaries from one department and perhaps in one, two, three or four other cases draw another salary for other matters.

Mr. CRERAR: If there are such I have not been able to find them. I do not think there are in effect. If such are found I can assure the hon. member they will not last very long. There are no such cases in this department.

Mr. MacNICOL: The minister does know there are cases in other departments?

Mr. CRERAR: That is correct.

Mr. LENNARD: What are the educational requirements for this magnetic observer?

Mr. CRERAR: The qualificaticns? I have no more idea than my hon. friend has.

Mr. LENNARD: Do they have to have university education?

Mr. CRERAR: I am informed that the magnetic observer does not require to have university standing. His business is to read the instruments and charge them with the rolls of paper on which the graphic record is made. I should think perhaps he would be a sort of general handy man in connection with the observatory work.

Mr. STEWART: Does the work of this observatory require a staff on duty twenty-four hours a day? Is there any part of the day when there is not some of the staff engaged? Is everything suspended for part of the day?

Mr. CRERAR: They have regular hours, much in line with the hours established in the service, but some members of the staff are required to do their work at night. For instance, observations of the stars have to be carried on at night, and observations of the sun in the daytime.

Mr. MASSEY: What correlation is there, if any, between the observatory and that

branch of the government service referred to in item 391, meteorological service, under the Department of Transport?

Mr. CRERAR: There is no direct relationship. The meteorological service has agents in various parts of Canada to measure the velocity of wind, the rainfall, the temperature. and such meteorological phenomena as I have just mentioned, but that is rather apart from the kind of work that is done in the observatory.

Mr. MASSEY: Then, Mr. Chairman, there will be no additional burden placed upon the observatory by the institution of the trans-Canada airways, for example, which will require very much more extended meteorological service than we have had in the past?

Mr. CRERAR: No. I am very happy to say, particularly since my colleague the Minister of Finance has just arrived, that there will be no additional burden placed on the observatory as the result of the inauguration of the trans-Canada airway.

Mr. BENNETT: Mr. Chairman, may I ask the minister if he will do this: Will he just investigate that department? That is all. I do not want to say anything more; I just want to ask him if he will do that. This department cannot possibly function with the material it has to work with and be of any particular national use. You must have a telescope of power. We have not had a new telescope for I forget how long. We have a telescope which, if my memory serves me aright, is of very medium power, and in these days when large and powerful telescopes have taken the place of the instruments that formerly were in use it follows that the bulletins from a college such as Harvard or from the Victoria observatory, where we have a new telescope, or from the observatory at Mount Wilson, where they have a new telescope, so dwarf our telescope into insignificance, almost, as merely to mean—to make a comparison—that we are keeping up a carriage in the days of the automobile.

If the minister will just investigate that I will be content. I know what he will discover. It is perfectly useless to undertake to keep up an institution unless it is supplied with the necessary material to enable it to function usefully. I think the minister knows how true that is. One of the members was speaking about men working for salaries that are low. Men get into this position; they are in the civil service; it is a case of security. They know that at a given time they will get their superannuation, and if the country does not supply them with material with which to do the work of astronomers, they do the best they can for a little while and then sink into that quiet calm which you sometimes find so prevalent in the public service, the undisturbed calm of waiting for the day; not the final day—

An hon. MEMBER: The senate.

Mr. BENNETT: Very few of them see the senate, unless they are organizers of the Liberal party, and sometimes that involves a reduction in pay. At any rate, be that as it may, I want to point out to the minister that we should either maintain a service that is worth while or we should cease playing with it, making ourselves more or less ridiculous. Astronomy is one of the oldest of sciences. Astronomers made tremendous contributions, not only to science but to practical things, arising out of the application of the principles which they have established by experiment and otherwise. It would take a long time indeed to tell about what the astronomer has contributed to the world, going back to days long before the clan Mackenzie were located in the highlands of Scotland. The result of what we are doing is purely negative. On the question of time they do make a contribution undoubtedly, but I am glad to see that the minister has lopped off four employees this year, because it is perfectly obvious that with the material at their hands we have entirely too great a staff. Either give them something to work with or do not keep them out there doing nothing, waiting for that day that comes to all.

I am not going to discuss the matter in detail, for reasons that are obvious, but I do ask the minister himself to investigate it. There is just as much need for putting in a charge here for temporary help as there is for putting a fifth wheel on a coach. You do not need any temporary help there. It is a convenience, a very great convenience too. I mean it is convenient to many people; almost as convenient, for instance, as that $3,000 for the assistant franchise officer, a post which was not filled for so long until after the last election.

The basis of all success in astronomical work is equipment. I do not care what genius you may have in the science of astronomy; unless you have the equipment you can do nothing. That is why the Dunlop telescope was of such very great value to the university of Toronto. That magnificent equipment now enables them to play a part in the scientific world; but did anyone ever point to any part we played in the scientific world with the equipment we have here? I believe they did detect a tremor about the time of the Shaw report, but as far as any other tremors were concerned I understand there have been no evidences of them.

Mr. DUNNING: That one was a long way off.

Mr. BENNETT: Oh, yes; the distance increased by geometrical progression as the days passed, and the old maxim, "Hang together or hang separately," which was referred to yesterday, became of great value, but that had nothing to do with astronomy except that it had to do with those dimensions which are immeasurable and about which Einstein speaks so learnedly. I dare say the fifth dimension was determined about that time. Probably the symbol for it would be JG raised to the nth power, but that is a matter for further discussion on other occasions.

Will the minister just look into this himself? That is all I ask.

Mr. CRERAR: Well, Mr. Chairman, I may say that I had it in mind to get a little better acquainted with the work of this observatory during the coming year.

Mr. BENNETT: Star gazing.

Mr. CRERAR: No. When I want to acquire proficiency in the art of star gazing I shall take my right hon. friend along with me.

Mr. BENNETT: He will be pleased to accompany you.

Mr. CRERAR: I have no doubt that between us we could make an admirable job of it. It is quite true that the telescope at the observatory here is old, and not a modern one. However, that is only part of the work of the observatory. They have to do with the matter of looking after time; they have to do with the recording of earth tremors, and I understand that their seismographic instruments, if that is the correct term, are fairly modern and complete.

Mr. BENNETT: There are twenty-three astronomers out there, I think.

Mr. CRERAR: I do think that is making some contribution. However, I shall bear my right hon. friend's suggestion in mind, and do the best I can.

Mr. MASSEY: The minister has stated that the most important function of the observatory is the recording of time. I notice that last year there was one time observer who was paid $400, and that this year we have not any.

Mr. BENNETT: Yes, but he was only an observer.

Mr. CRERAR: He is not connected only with the determination of time. I understand that was a special amount given for other observations. However, I must confess that I do feel like a fish out of water.

[Mr. Bennett.]

Mr. BENNETT: Some of them survive, you know.

Mr. CRERAR: I hope this one will, too. I feel that way when I am asked to discuss the scientific bases upon which time is determined, and all that sort of thing. It is a little bit beyond me. However, the accurate determination of time is a function of the observatory, and it is from its activity that we know that our time is accurate. For instance, it would be most unfortunate, Mr Chairman, if in the course of a day the clock on the wall should run ten minutes slow, and we were to work ten minutes too long. That sort of thing has to be avoided.

Mr. BENNETT: I think you can trust the observatory staff on that point.

Mr. CRERAR: The accurate determination of time is part of the work of the observatory. However, I shall endeavour to act upon my right hon. friend's suggestion.

Mr. MASSEY: I notice that in vote 392, under the Department of Transport, there is a grant of $500 to the Kingston observatory. A short time ago we were discussing the functions of the observatory as divorced from the meteorological service of the dominion, yet the grant to the Kingston observatory is bracketed with that of the meteorological service of the Department of Transport. Why is the grant made to Kingston observatory and not to others, and why is it under the Department of Transport?

Mr. CRERAR: I did not know the grant appeared under the Department of Transport. I would assume it has something to do with meteorology.

Mr. MASSEY: Perhaps the Minister of Labour could answer it.

Mr. ROGERS: I am afraid I missed the question.

Mr. CRERAR: I shall have to leave it to either the Minister of Labour or the Minister of Transport.

Mr. BENNETT: As a member of the governing body of Queen's, the Minister of Labour might explain.

Mr. LOCKHART: Do I gather that there is nothing in the estimate for new equipment? I have in mind a student who graduated from McGill, and another who graduated from another university, who would bear out the statements made by the hon. members for Mount Royal and Greenwood and the leader of the opposition. These young men have gone to the United States to follow up their work. They make the very pertinent

comment that most of the equipment at Ottawa is obsolete, and they have gone to the United States to complete their further studies. They say that the salaries paid experienced and trained men are not commensurate with the task they must perform. They do not expect to come back to this country, but intend to remain in the United States. I wonder if the equipment is as obsolete as stated by these young men.

Mr. CRERAR: There is a small item of $3,000 for new equipment.

Mr. BENNETT: But that does not cover anything substantial.

Mr. CRERAR: No, it does not cover anything as substantial as is indicated by the hon. member for Lincoln. There is no doubt that the observations of the leader of the opposition with respect to observatory equipment are soundly based, but we did not feel that at the present time we were in a position to ask for an additional vote for equipment.

So far as the other point is concerned, it is quite true that salaries paid in Canada to scientific men do not compare favourably with those paid in the United States. That is true not only of astronomers but along many other lines. If we were to examine the facts concerning United States universities we would find that many of them are staffed by Canadians who are drawing salaries very much greater than they could have secured in Canadian universities. I agree that probably this is a loss to Canada, although in other respects it may have beneficial effects. I do not know what can be done about it.

These positions are classified by the civil service commission. They state the salary range that shall be applicable to the various positions. I believe the observations of the hon. member for Mount Royal must carry considerable weight. He may have presented one of the matters to be considered by the committee which is to inquire into civil service conditions.

Mr. LOCKHART: The point I make is that young men of to-day who are seeking their future in scientific research would find it no advantage to come to Ottawa if, as they say, our equipment is largely obsolete. They admit one or two branches are well equipped, but they say that generally the equipment is such that it is no inducement to young men to follow their careers in Canada, and so they are prone to go out of the country. We might be better off with half a dozen properly equipped than with twenty-four for whom there is old equipment we have had for the last fifteen years.

Mr. CRERAR: In reply to the point that the equipment may not be up to date I would say that the use of a telescope of lesser range would not militate against the young man's training in the science of astronomy. As a matter of fact some of the past and present observatory staff are of a calibre which would compare favourably with the staffs in any similar observatory.

Mr. BENNETT: There are twenty-three astronomers out there.

Mr. CRERAR: Yes.

Mr. LENNARD: Who in the civil service is the authority on astronomy? Who sets the papers? Are they set by the civil service commission or by the department? Are the examiners men within the civil service?

Mr. CRERAR: I understand that it is the practice of the civil service commission, in connection with scientific and professional positions requiring certain degrees of skill, to secure expert advice as to the type of examination which should be set.

Mr. BENNETT: They check their academic training.

Mr. CRERAR: Yes. For instance, they have to certify to medical doctors. I do not know that the members of the civil service commission are qualified to pass on the technical knowledge of medical men, but they take the necessary steps to set the examination, as is done in connection with other scientific branches of the federal service.

Mr. LENNARD: Who marks the papers after they have tried the examination?

Mr. CRERAR: As I understand it, the civil service commission do not mark the papers, but they set up an examining board of experts which marks the papers or gives oral marks if the examination is oral. It is on their marking that the civil service commission finally gives its certificate.

Mr. BENNETT: Their report.

Mr. CRERAR: Their report.

Mr. MARSH: I should like to say a word or two in criticism and also in support of the observatory at Ottawa. I know it is true that our observatory at Ottawa cannot compete with the great observatories of the world, but it is doing a worth while work. My only quarrel with this vote is that it is half what it should be, but I also realize that this is not the year in which to increase the item, in view of more pressing problems. I should like to point out that there is a type of astronomical observation which can be done and is being done with the equipment we have. In conjunction with other observatories, the Ottawa

observatory is doing a really worth while work which may result at some future date in the forecasting of world weather. Some very valuable research work has been done by this observatory in spectroscopy of the sun. Some humorous comments have been made on the work of astronomers, but I want to say that an astronomer is not a man who goes out, looks aloft, and writes a piece of poetry like "Twinkle, Twinkle Little Star." He is a student of a legitimate science, the forerunner of both chemistry and physics. Quite often the findings of the astronomer are communicated to the physicist and the chemist, and the result is that, for instance, we are able to make a certain type of steel in four days instead of ten. Another result was the discovery of helium by the use of which we are able to travel safely in heavier than air machines inflated by a non-inflammable gas.

Great care has been taken in years gone by to build up this observatory in Ottawa. The question has been raised if there is any collaboration between our observatory and the various astronomical departments of our universities. The answer is, yes. There is a close cohesion in this connection. Since this observatory was built some years ago it has been of real value in education. It has been pointed out that perhaps we do not need twenty-two or twenty-three astronomers, but the science of astronomy necessitates a comprehensive knowledge of mathematics and men to observe, to calculate, to chart and to analyse scientific findings. Our astronomers have been carefully educated. It has taken them years to train, and I definitely know that our astronomers in Ottawa compare favourably with those connected with other observatories in the world. The fact is that they lack the proper equipment. While our fourteen-inch telescope cannot compare with the large instrument at Victoria or the one at Mount Wilson, the fact remains that in the measurement of stellar distances, some types of spectroscopy, and in connection with research work on meteors and in the determination of the consistency of the atmosphere of the earth, valuable work has been done with so-called obsolete equipment.

If we have in mind the establishment of an air route from the Atlantic to the Pacific we must retain in this country whatever we have in the way of astrophysical, astronomical, seismographical and geodetical experts. If the finances of this country permit, I would suggest that next year this vote should be doubled or tripled if people are to travel safely by air from one side of this country to the other.

Item agreed to.

[Mr. Marsh.]

Dominion astrophysical observatory, Victoria, B.C., $31,220.

Mr. BENNETT: With the equipment he has at Victoria, the chief astronomer has made a contribution of world-wide importance. I had the pleasure of recommending him for a commandership in the Order of the British Empire. He was able to make that contribution to world knowledge because of the equipment he had with which to carry on his work.

Mr. TAYLOR (Nanaimo): Does this vote include an amount to reimburse the municipality of Saanich for its out-of-pocket expenses in the matter of a fire that occurred on the observatory mountain three years ago? I have made persistent attempts to have some attention paid to this account and I was hoping that it would be provided for in the estimates this year.

Mr. CRERAR: There is no amount included in this item to reimburse the municipality of Saanich for its claim, which has been under investigation for some little time.

Item agreed to.

Dominion water and power bureau, including the administration of the dominion water power and irrigation acts and including grant of $250 to the international executive council, world power conference, $222,050.

Mr. MacNICOL: I should like to make one or two observations which I hope the minister will answer immediately or refer to when he next rises in his place. I notice that the number of employees in this branch has been reduced by two, while the vote for the branch has been increased by some few thousand dollars. There is also an increase in the general expenses of the branch. The total increase in the vote amounts to approximately $27,000, and there are no details of this increase. I was just wondering if the time has not come when this large staff could be greatly reduced. The work carried on by the branch must have decreased in recent years, since the provinces have large staffs carrying on the same work. In Ontario the hydro-electric commission has a large staff doing exactly the same type of work, and I have no doubt that their staff is considerably overmanned. I came in contact with four parties from the Hydro-Electric Power Commission of Ontario some two hundred and fifty miles north of lake Superior. The work being done by those four parties could have been done quite well by one. Since the provinces are themselves doing most of this work, the activities of the branch must be confined largely to the northwest territories and other unorganized districts. These water powers have prob-

ably been gone over so often that we must have numerous details and estimates relating to exactly the same water powers. Will the minister tell us precisely what this staff does, and whether it does anything in Ontario? If it does anything in Ontario, does it do exactly the same work as the hydro-electric power commission? If it does anything in other provinces, does it do the same work that similar staffs in those provinces are doing?

I am of the opinion that this country is hugely overstaffed so far as governmental employees are concerned—I am not referring to the dominion, but to the country collectively. As has been said by so many—I have said it myself before—the cost of government to-day is simply terrific in a country of approximately eleven millions. I should like the minister to tell me what this huge staff does.

Mr. CRERAR: The increase is apparent and not real. In previous years, under an arrangement with them, the western provinces made a contribution, which last year amounted to approximately $30,000 to the federal water and power bureau for the work which that bureau did for them. The procedure has been changed this year so that instead of the amount that we get from the provinces coming directly to the department and being available for the work of the department, it is now being paid into the consolidated revenue fund. Consequently we had to increase our estimate this year to make up the deficiency that would exist by reason of that fact. I can assure my hon. friend that so far as my knowledge goes there is no duplication in the work of the various provincial governments and the federal water and power bureau. As a matter of fact the work is carried on with understandings and agreements with the provinces. In the western provinces the federal water and power bureau is still doing the stream measurement work, but the most important part of the work under this vote is that which relates to international waters. For instance, international streams from the Atlantic to the Pacific—

Mr. MacNICOL: All that work has been done many times before.

Mr. CRERAR: But these records with regard to the flowage and division of water have to be kept from year to year. Take the division of water for power purposes at Niagara. That cannot be based on readings or records made fifteen or twenty years ago; it has to be kept up to date.

Mr. MacNICOL: But it is set by the 1909 treaty at 36,000 for Canada and 20,000 for the United States.

Mr. CRERAR: Yes, but it has to be measured, and it is the officials of this department, because it relates to international waters, who are responsible for looking after that. I could cite other instances of the same kind.

Mr. ROWE (Dufferin-Simcoe): Do they measure what is taken out in the Chicago diversion?

Mr. CRERAR: No, we cannot measure what is taken out there because we have no men there. We simply have the United States records. Of course, there is the question of water powers in the northwest territories, the determination of power sites, the amount of power that is available not only in the territories but also in the western provinces. We had a discussion yesterday afternoon on the possibilities of irrigation in the prairie provinces. Last night I mentioned the fact that there were streams in Alberta, and also in Saskatchewan and Manitoba, which were really international streams. If we are to utilize water from these streams, only part of it belongs to us and we must know to what extent; consequently all this work that I have tried to describe is carried on by this branch.

Mr. MacNICOL: Has the department anything to do with measuring the water power capacity on the Albany river in northern Ontario?

Mr. CRERAR: My officers tell me that, so far as their knowledge goes, we have not. The Ontario government does that and probably passes its records on to us.

Mr. ROWE (Dufferin-Simcoe): What accounts for the increase of $12,000 in connection with travelling expenses?

Mr. CRERAR: This allocation that we have received in other years from the provincial governments has been split up among various items of the work and the increase that my hon. friend has just referred to arises from that fact. A year ago part of the grant we received from the western provinces was placed against this particular item. We have not received it this year because it was paid into the consolidated revenue fund, and therefore we have increased our expenditure correspondingly.

Mr. ROWE (Dufferin-Simcoe): Is the department sending a representative to the world power conference?

Mr. CRERAR: I was not aware that there was to be a world power conference; perhaps I am a little bit behind the times. At any rate it has not been before me for consideration.

Mr. STIRLING: Is stream measurement being carried on in all the provinces?

Mr. CRERAR: Yes, I think I can say it is, in all the principal streams at any rate.

Mr. STIRLING: I believe the minister will remember that a great deal of the information collected in the first twenty years of this century, to which reference was made yesterday, in connection with irrigation possibilities, was based largely on stream measurements carried on in Alberta and Saskatchewan; and at least until a very recent date stream measurement has been carried on under this department in British Columbia as well. I wondered to what extent in other provinces that work was being done.

Mr. CRERAR: I am informed that we still carry on these measurements in British Columbia. We receive, of course, some financial assistance from British Columbia to reimburse us for that work, and the same is true of the prairie provinces.

Mr. MacNICOL: Then the government does carry on stream measurements in Ontario, and if it does it must do so in the Albany river. I understood a moment ago that the department did not do that.

Mr. CRERAR: I am afraid I may have misled my hon. friend. My information is that we do not carry on this work in the Albany river. We get records from Ontario, but we carry on work where it relates to international waters and waterways in the province of Ontario; and in the western provinces we carry it on to a large extent—that is, stream measurements, rate of flow, and so on.

Mr. STEWART: I understood the minister to say that this department was carrying on work in British Columbia, Alberta, Saskatchewan and Manitoba, for which these particular provinces paid the dominion for the information it accumulated and transmitted to them. Is that true of Ontario and Quebec and the maritime provinces?

Mr. CRERAR: Yes, it is. We apparently carry on some work in Ontario, but not on the Albany river. In the year 1936-37 we received a total of $32,000, made up of $5,000 from British Columbia, $2,000 from Alberta, $2,000 from Saskatchewan, $2,000 from Manitoba, $8,500 from Ontario, $10,000 from Quebec, nothing from New Brunswick, and $2,500 from Nova Scotia.

[Mr. W. E. Rowe.]

Mr. STEWART: That clears the matter up, because I was at a loss to understand why the policy should be different in different parts of Canada; whether it applied to the whole or not.

Mr. CRERAR: I plead guilty to perhaps misleading my hon. friend though unintentionally.

Mr. LOCKHART: In the details in connection with this item I see only a duplication of what I notice through all the different parts of the estimates of this department. Here we have another item of "temporary assistance"; we also have an item of $18,000 for wages. When you follow "temporary assistance" through the whole of the estimates of this department you find the total runs to nearly half a million dollars for this item, and you run into another item—wages, $18,000. Would the minister give us a few more details about these special items and why all this temporary assistance is so necessary in this department?

Mr. CRERAR: The particular item to which the hon. member takes exception is, I am informed, for a part-time water recorder, and the item of wages is for gauge readers and casual labour employed all over Canada. Gauges must be read at certain definite times, but we do not keep a man sitting on a chair beside the gauge to read it every ten hours; we pay him a remuneration under which he takes the job, keeps the records and gives us the information. I do not think there is anything beyond that to explain in the items to which my hon. friend has alluded.

Mr. LOCKHART: But with regard to this definite increase, how are these men appointed? Are they more civil service appointments? I am following "temporary assistance" all through the details of service of this department, and as I have said it runs into nearly half a million dollars.

Mr. CRERAR: As far as the temporary assistance is concerned, there must be a certificate from the civil service commission. As to the gauge readers, that does not come under the civil service commission because the individual remuneration will run from perhaps fifty to maybe a hundred dollars a year, depending upon the amount of work the gauge reader has to do.

Mr. LENNARD: Does the minister expect to employ nearly double the number of gauge readers this coming year? The item of $18,000 as against $9,610 for last year represents quite an increase.

Mr. CRERAR: I know, but part of it is accounted for by the explanation I gave a moment ago to the hon. member for Dufferin-Simcoe; that is, part of the grant which we received last year from the provinces and which came direct to the department was apportioned to gauge readers. This year, as I have already explained twice to the committee, this grant is paid into consolidated revenue; accordingly we have had to increase our estimate, and the increase is for gauge readers and the other items against which it was apportioned a year ago.

Mr. MASSEY: I notice, in the details of this item on page 119, there is a grant to the international executive council, world power conference, of $250, the same amount as the grant made last year; I assume therefore it is a recurring item. Just a word as to the world power conference. I am sure the Minister of Transport as an engineer will agree that this conference is one of the most important engineering bodies in the world. Canada is one of the most important power countries of the world. The world power conference was held in 1936, and met, I believe, in Washington. Later, the delegates had the privilege of visiting our Chippawa plant at Niagara Falls as well as other plants in Canada. The advertising alone is good for Canada. One should not underestimate from our point of view as a dominion that particular phase of the world power conference. There is also the exchange of ideas at such a meeting which is of extreme value to us. We all recognize that in certain countries of the world particularly Canada, the United States and the Scandinavian nations, water power development has been carried forward with extraordinary efficiency. The Swedes, with their new plant at Krongede, set a very high standard in water power development. The engineers who were responsible for the building of that government-built and government-operated plant at Krongede visited the world power conference and later came to Chippawa. I am sure our engineers received much from them and were able to give much to them in return.

We grant only $250 under this item for so important a body as the world power conference. I am sure that the minister, although he did not know there was to be another meeting of the conference in the near future, will be good enough to explain to the committee why we provide a grant of only $250 to such an important international body, and that he will also let us have his reactions, perhaps not under this grant, on the development of the international relations of Canada as one of the great power producers of the world.

Mr. CRERAR: This grant of $250 is Canada's contribution to the maintenance of a central office for the various countries that are associated with this world power conference. I understand that a conference is held once in every five or six years. The expenses of the conference of course are borne by the various countries in the matter of sending their own delegations, but the maintenance of a central office year by year is provided for by all the countries which are parties to the conference. Canada is a party to it, and our assessment or contribution is $250, or £50—a very small sum.

Mr. MASSEY: That is on a per capita basis?

Mr. CRERAR: I do not know what is the basis of working it out, whether it is a per capita arrangement or not.

Mr. MASSEY: We always send a representation, do we?

Mr. CRERAR: I think that usually that has been done, and that when we come to consider the matter we shall probably do so again. But this $250 is simply our annual contribution to the maintenance of a permanent office in London for the countries in this conference. It is the amount that has been paid in past years, and can be regarded as Canada's share in the maintenance of that office. I assume that the United States and all the other countries which are parties to the conference also make contributions. The expense of maintaining the office between conference periods is probably not very heavy. At any rate that is our contribution and I understand that is all we have been asked for.

Mr. MASSEY: Whom did we send as our representative to the world power conference held in Washington in 1936?

Mr. CRERAR: The representative of this department at the conference a year ago was, I think, Mr. Johnston who is chief of the water and power bureau.

Mr. ROWE (Dufferin-Simcoe): Did Mr. Thirpe represent the department at the world conference in 1936?

Mr. CRERAR: The world conference is held only every sixth year, but frequently there are sectional conferences held in intervening years. On an occasion of that kind the gentleman to whom my hon. friend refers was probably present.

Mr. MASSEY: Has there been any attempt on the part of the government to disseminate the findings of these conferences? In other words, do the producers of power throughout Canada receive from the government reports

which will add to their store of knowledge and assist them in the development of their plants, or does the government merely send a representative for its own benefit?

Mr. CRERAR: I understand the reports of the conference proceedings are printed and published and are available to people interested. The reports can be supplemented by direct information that the Canadian representative gets at the conference.

Mr. ROWE (Dufferin-Simcoe): If the world power conference has any influence on the studied policy of the government, it might be well for the government to review the decisions of the conference, or the papers presented, with reference to the exchange of electric power between countries, especially the considered judgment that the exportation of power cannot be stopped without giving rise to serious international difficulty. I think if we were represented at that world conference, and if that is the considered judgment, it might be appropriate for the government during this year at least to take cognizance of the results of the last world conference.

Mr. CRERAR: A matter of that kind is not within the purview of the conference. The conference is held for the purpose of exchanging technical information, enabling representatives of the various countries to exchange views on power engineering science and technical matters. A conference of that kind would scarcely be concerned with questions of public policy such as that of the export of power. According to the information supplied to me, such questions are outside the scope of the conference.

Mr. ROWE (Dufferin-Simcoe): I might point out that at that conference it was indicated that in the near future all the readily available power resources of this country, the most accessible and least costly to develop, would be utilized. It was also pointed out that it is in the best interests of the dominion economically to develop industry in Canada, give employment to our own people, and stop migration to other countries. That was given, I understand, in a paper as representing Canada's views. Even though these conferences may be more or less of a technical nature—and I quite agree with the minister that I would not expect our representative at such a conference to settle or even pass much of an opinion as to the international difficulties which might arise with reference to the exchange of power between countries—I might point out that it was more or less from an engineering standpoint having regard to the amount of power available that the view was expressed that power should not be exported. I think it might be well at this time for the government to review that in view of prospective developments this session.

Mr. LOCKHART: Did I understand the minister to say in regard to this item that there are no special increases in the activities of the department this year? There is so much noise in the chamber that sometimes one can scarcely hear. Have the activities of the department been carried on about the same as previous years?

Mr. CRERAR: Yes.

Mr. LOCKHART: Well, I notice the item of travelling expenses is two and one-half times greater than that for the previous year. People back home keep asking why government costs continue to increase and pile up. Can the minister explain that?

Mr. CRERAR: I have already explained that the amounts formerly paid directly to the department from the provinces for services rendered, have now been treated differently; the money received from the provinces now goes directly into the consolidated revenue fund, and consequently we have had to increase our estimates. Assessing that part of the cost against gauge readers, travelling expenses, and in other directions, accounts for the increase not only in this particular item but in several others that have been referred to this afternoon.

Mr. WALSH: As the minister knows, there has been a general increase of a considerable amount in the estimates this year. The people of Canada are making diligent inquiry as to why the government is not seeking ways and means to decrease rather than increase the cost of government. Referring to this particular item the minister will notice that the total on page 119 of the estimates this year is $222,050 as compared with $195,040 the year before. It is such increases as this that increase the aggregate. This money has to be found through increased taxation or increased revenues; in other words, the people of Canada have to pay these increases. When business finds itself going through difficult times a well managed, well organized business usually seeks ways and means to decrease, not increase expenditure, and I think a well managed, well administered government should do likewise. I would urge upon the minister that this is one item representing a very considerable increase, and with all due respect to the minister I do not think this large increase is justified. I cannot see that this

department is going to render an additional $27,000 worth of satisfaction or service to Canada under present conditions.

I feel that every item in the estimates this year should have been decreased, and every department should have been instructed by the Minister of Finance to bring in estimates showing a decrease. In that way the Minister of Finance would have been able to report an aggregate decrease which probably would be commensurate with the general deficit that is being produced this year, and would go a very long way towards meeting, say the Canadian National railway deficit or the relief bill which we have to meet from year to year. I know that nothing can be done this year; but it is to be hoped—and I think the people of Canada are hoping—that the ministers of the various departments will give the Minister of Finance an opportunity to balance his budget next year without showing an increase in revenue or in taxation. It is all very well for a government to boast of balancing a budget by means of extracting more revenue from the Canadian people. Far better would it be for the Minister of Finance to be able to report a balanced budget as a result of savings on the part of various departments of government, and a decrease generally in the cost of government.

I do not like this item going through; I want to register my objection to it on the general principle that it seems to show an extra large increase as compared with the increased service that may be anticipated as a result.

Mr. CRERAR: I appreciate the homily that my hon. friend has directed to me, but his alarm is wholly unfounded. I have already explained, I think at least three times, that a sum of approximately $30,000, which prior to this year was received from the provincial governments for services rendered by this branch to those governments, is now paid directly into the consolidated revenue fund, and consequently we have to increase our vote to compensate for that difference. As an actual matter of fact the expenditure under this particular item this year is less than it was last year. It has not grown; it is down; but because of that method of treatment which, as I say, I have already explained to the committee several times, we have had to increase the estimate from about $197,000 to $222,000.

I wholly appreciate the importance of the point raised by the hon. member for Mount Royal. I have had a good deal of experience in the necessity of balancing budgets, others as well as my own, and I quite recognize the importance of that. But without any offence to my hon. friend may I chide him a little bit for inconsistency. Only a short time ago on another item he suggested that we were not paying sufficiently large salaries to certain members of our staff, and that the item should be increased in order to pay larger salaries. Now he is on the other horn of the dilemma, suggesting that we should balance our budget. Well, that is all right; but I wish to say to my hon. friend that in reality there is not an increase. There is actually a decrease.

Mr. ROWE (Dufferin-Simcoe): How much of a decrease?

Mr. CRERAR: About $3,000 from what it was a year ago; but because of the method of treating the amounts received from the provinces for the services we render, as compared with the treatment in other years, the item has had to be increased.

Mr. WALSH: I quite appreciate the remarks of the minister. If he would take the trouble to read Hansard to-morrow he would notice that I did advocate increasing certain salaries; but I urged that the item itself should not be increased; that probably fewer could be engaged in the work, so that those retained could be paid a greater and more beneficial remuneration for their services.

Mr. HEAPS: What would the hon. member do with the others who were laid off?

Mr. WALSH: The others would find employment as they do now. The minister will tell the hon. member for Winnipeg North that his is a changing staff, due to the low salaries paid. These people seek employment elsewhere and take advantage of the increased remuneration that is paid in other fields. They are using the department as a place to gain experience; after that experience is obtained they go elsewhere to apply it.

I quite appreciate the fact that the minister is experiencing the difficulty of having thrown back on his department a certain decrease in revenues that formerly were obtained from the provinces; but he has had this experience, as I have, in budgeting. I have been administering and looking after a budget for the past twenty years or more, and whenever it has been found necessary to increase a budget in some respects, rather than increase the budget as a whole we have had to take away from other items in order to compensate for that greater expenditure or that loss in revenue. I think when the minister realized that the provinces were no longer going to bear this share of the cost, amounting to twenty odd thousand dollars—

Mr. CRERAR: May I interrupt my hon. friend? They do bear that share, but now they pay it directly into the consolidated revenue fund and not into the department.

Mr. WALSH: The minister's department is not credited with it at the present time. Therefore his budget, in reference to this item, shows a noticeable increase. Rather than having to bear the responsibility for any increase, I would have taken steps to see to it that there was an appreciable decrease elsewhere to make up for that loss of revenue under this item. I am rather earnest in putting forward this plea. I am not doing it for political purposes; I do not think in my constituency it appeals one iota, because I am not interested in public works or anything of that nature. I feel, however, that to-day in Canada there is a definite sentiment—and I think the government appreciates this fact as well as I do in opposition—that government is costing us too much, not only in the dominion field but in the provincial and municipal fields as well. Sooner or later—and it might just as well be sooner—there has to be a decrease in the cost of government.

Mr. HANSON: We have too many governments.

Mr. WALSH: We have too many, and those we have are too expensive. I hope next year, when these estimates are being prepared, the Minister of Finance will issue instructions to every department of government that their estimates have to come in ten per cent lower than those of the present year. Let the ministers worry as to how they are going to effect that reduction, but let him not accept any estimates which do not show that decrease. We have had to do this in other walks of life. Businesses have had to do it. Municipalities have had to do it. School boards have had to do it. We have worked under those instructions. I have had to do it. I received instructions to do it. I did not like it; but it had to be done and it was done without impairing the efficiency of the service rendered.

I want to urge that upon the minister and upon the government. It has to be done sooner or later, and I am hoping that the Minister of Finance and his colleagues who prepare these estimates will take the necessary steps to decrease the cost of government in Canada. They can decrease their own costs; they can set an example, so that other taxing bodies may do likewise.

Mr. DUNNING: I suppose I would really be out of order in discussing on one item the general financing of the country, but I must point out that the matter is really not quite as easy as the hon. member for Mount Royal puts it. To start with, let us consider the large items of expenditure to which he would apply the ten per cent axe to which he has referred. For instance, let us take one of the biggest items, namely, war pensions. Obviously the reduction would not work out there. Let us consider another one, interest on debt. I am glad to be able to say, as the hon. member will find in the estimates, that there is a reduction in that item. But he would be the first to agree that that cannot be dealt with in an arbitrary manner; it is a matter of the money market, and the control of currency and credit.

Then, let us consider another large item—and it is in connection with the big items that the difficulty arises. We have an expenditure of $30,000,000 for old age pensions. Are we going to cut that by ten per cent? So you go through the list of uncontrollable expenditures of the government, those items which are statutory, and you will find that applying a reduction is not the same thing as applying it in an operating organization, such as a school board, a municipal organization or even a business.

There is very much less within the control of government, as such, in the Dominion of Canada than there is in any comparable organization within the country. While I appreciate the assistance of the hon. member, it would seem that so far he appears to be practically alone in his suggestions of general economy. If it was the disposition of this parliament to hold its own hand in asking for increased expenditures, that would be the most effective assistance which could be rendered to a minister of finance, in holding down the estimates, generally. For every hon. member who objects to the size of expenditure there are at least ten—often including the one who objects—who rise in their places and ask for increased expenditures along one line or another.

I am not complaining; but I say that this is a fact in parliament as it is constituted to-day, and as it has been constituted since I have had any acquaintance with it. Perhaps we could all agree that we would each take the kind of self-denying ordinance which the hon. member for Mount Royal would have me impose. It would be a great deal easier to accomplish, if all would invite it, rather than all object to its being imposed on any particular item in which they are personally or generally interested.

Mr. HEAPS: What percentage of national expenditures are controllable, and what percentage uncontrollable?

Mr. DUNNING: I cannot answer offhand.

Mr. HEAPS: Approximately.

Mr. DUNNING: I would not attempt to state it even approximately. We might differ as to definitions. If we take as uncontrollable only that which is statutory, then of course we would reach a conclusion different from that which we must reach if we examined each expenditure, and decided for ourselves as to whether it was or was not controllable. However, I shall have that information later in the session. I have not an answer at the present time, and I do not wish to make a guess.

Mr. WALSH: I do not want the minister to feel that I am not fully cognizant of the difficulties a minister of finance or a minister of natural resources must face. I quite appreciate what has been said. I am sorry if I am wandering away from the item under discussion; but let me point out that last year under the item of conversions we saved $6,000,000. What was done with it? That $6,000,000 was gobbled up, along with about $20,000,000 more.

Mr. HEAPS: The military estimates.

Mr. WALSH: That money is gone. If we could only have held the estimates at what they were last year we would have accomplished something. That is the point I am trying to make. Hold them; keep them fixed. On the same page on which appears the item we are discussing, there is another one which involves a tremendous increase.

Some hon. MEMBERS: No, no.

Mr. WALSH: Oh, I know that supposedly there is a decrease.

Mr. CRERAR: It is an actual decrease.

Mr. WALSH: But if you show it to the ordinary citizen he will say there is an increase, because the figures are there. I know the reason for it; but if you take the aggregate of the figures to be presented by the Minister of Mines and Resources, I dare say those estimates will show an increase, not a decrease. Surely to goodness we can draw the line and say, "They are fixed; they cannot go higher than that." Then when we make conversions and save $6,000,000; when the pensions decrease as, over a period of years, they will, and as other fixed items show a decrease, we can gradually bring the estimates down to a more reasonable basis. That is the point I make.

I am not unappreciative of the difficulties of this or any other department of government, but I feel it is time to call a halt to government expenditures, particularly if they seem to be excessive.

Mr. DUNNING: If the hon. member will take the estimates on his desk and look at page 2, he will find a summary of the totals of all departments, showing the increase or decrease as compared with the main estimates for the current year. At the bottom of the page he will see that the aggregate amount of the main estimates now under consideration is $2,900,471.65 less than the aggregate of the main estimates for the current year. Of course that does not tell the whole story. Everything depends upon what will be added, in due course, as a result of supplementary estimates. But I must repeat that the comparison between the main estimates now presented and the main estimates presented last session is favourable to the amount I have indicated. I believe this is a reasonably fair comparison of departmental and running expenses of government in one year as compared with those in another. On that page the decreases or increases are shown, department by department, and the result, as I have indicated, is an aggregate decrease of $2,900,-471.65.

Mr. WALSH: That is not the general impression in the country.

Mr. DUNNING: But that is the truth.

Mr. WALSH: The impression conveyed through the editorial columns of newspapers is that there is an actual increase in the estimates before us to-day as compared with the estimates brought down on a similar occasion last year. It is indicated that there is an increase of between $20,000,000 and $30,000,000.

Mr. DUNNING: I do not know where the hon. member gets that information.

Mr. WALSH: Well, I have the information. I would like to look it up and bring it to the chamber later.

Mr. DUNNING: I am giving only the facts.

Mr. LENNARD: In connection with the items respecting the dominion water and power bureau, with which we are now dealing, I say that the new system of accounting is not satisfactory. If, for instance, Ontario owed an amount for work done by the bureau, the latter should get credit for it. In the same way, that credit should be shown so that hon. members may know what is going on. We should know about the work done for the different provinces. For instance, how do I know how much has been done in Saskatche-

wan in the past year? I should know that, and I should know what work is done by the department in every part of Canada. We should know about departmental affairs. If we are at all interested, we should gain a more general knowledge.

Mr. DUNNING: The hon. member's problem is that of knowing where to look for the information. I shall be very glad to tell him. The principle upon which the revenues of Canada have been operated for many years is laid down in the Consolidated Revenue and Audit Act. The basic principle is that all moneys shall go into one consolidated fund. There was the odd departure, such as occurred in this particular department, where the moneys were collected and disbursed by the branch. I think the hon. member will agree that that would not be a good business principle to adopt in running the affairs of the country.

The fact that moneys are collected by the department for services rendered is of record. There should be no difficulty about the matter as the auditor general's report which I tabled a week or two ago contains not only the particulars of the expenditures of each department but the particulars of the revenues received. The point raised by the minister in connection with this matter is that we have recently applied the Consolidated Revenue and Audit Act to the revenues collected by this branch. Formerly this was not the case. On every occasion on which the auditor general learns that there is any revenue collected by a department and retained and expended by that department, my attention is called to the procedure and it is stopped. Such money goes into the consolidated revenue fund and the expenditures of each department must be voted by this house out of the consolidated revenue fund of the country.

Mr. ROSS (St. Paul's): Will there be anything in the supplementary estimates for this item?

Mr. CRERAR: I cannot say definitely, but I think it is unlikely.

Mr. ROSS (St. Paul's): The minister has said that there is a reduction in these items, and in order to see whether that is the case it would be necessary to know whether anything will be included in the supplementary estimates.

Mr. CRERAR: I do not anticipate that there will be any increase in this particular vote.

Item agreed to.

[Mr. Lennard.]

Lake of the Woods control board, $7,576.

Mr. MacNICOL: Do the United States pay an amount equal to this vote?

Mr. CRERAR: They pay an amount based upon their particular interest in this lake. The larger part of the Lake of the Woods lies within Canada, a small area being in the United States.

Mr. MacNICOL: The northwest angle and all the water immediately south would be in United States territory.

Mr. CRERAR: I think there is one bay at the end of the lake which is in the United States, but I cannot give its relative proportion to the whole lake. I should say that perhaps three-quarters of the lake is in Canadian territory.

Mr. MacNICOL: What is the purpose of this control?

Mr. CRERAR: The purpose is to regulate the flow of water from the lake into the Winnipeg river by maintaining the lake level between certain datum points, I think between 1059 and 1064. It is essential that the flow of water into the Winnipeg river should be controlled in order that the power plants located on the river may operate at the proper capacity.

Mr. HEAPS: Is the total cost of this control paid by the federal government, or does Manitoba contribute?

Mr. CRERAR: An agreement has been entered into by Manitoba and Ontario with the federal government covering the division of expenses. The two provinces contribute to these expenses.

Mr. HEAPS: Has this control board given satisfaction since its establishment in the control of the waters of the Winnipeg river?

Mr. CRERAR: I think it has given general satisfaction. At any rate, since I have had anything to do with this department no complaints have been received.

Mr. STIRLING: How many outlets are there to the lake?

Mr. CRERAR: I think there is only one, the Winnipeg river at the north.

Item agreed to.

To provide for the expenses incurred under the agreement between the dominion, Ontario and Manitoba confirmed by the Lac Seul Conservation Act, 1928, money expended to be reimbursed, $20,000.

Mr. MacNICOL: Just what does this control consist of, and does it cover control over the waters between lake St. Joseph and Lac Seul?

Mr. CRERAR: I do not think lake St. Joseph is involved in this particular control. Lac Seul lies wholly within the province of Ontario and it drains into the Winnipeg river. The regulation of the flow of water from Lac Seul to the Winnipeg river is an important factor in the maintenance of sufficient water in the river to enable the power plants to operate at the proper capacity. There is also a power site, on the English river, that drains Lac Seul into the Winnipeg river, and the control of these waters will also be important when that power site is developed, as it probably will be at some future date. The expenditure in connection with the regulation of the flow of water from the lake is actually borne by the provincial governments.

Item agreed to.

Engineering and construction service, $136,190.

Mr. MASSEY: Is this the item under which I should discuss the possible development of iron mining in the northwest territories and within the arctic circle? I desire to be in order as I do not want to mislead again the hon. member for Halifax (Mr. Finn).

Mr. CRERAR: That discussion would come properly under item No. 125, or any of the other items under the mines and geology branch.

Mr. MASSEY: The minister would rather that I did not discuss it under this item?

Mr. CRERAR: I think it is advisable to keep within the item before the committee.

Mr. STIRLING: What is covered by this item?

Mr. CRERAR: That covers the expenses of this branch in connection with engineering services for the whole department. The national parks, which are administered by the Department of Mines and Resources, contain about 900 miles of roads and in addition to that the department is constructing the highway from Banff to Jasper. It is also constructing the section of the trans-Canada highway between Golden and Revelstoke. That was an obligation first undertaken by the government of the present Prime Minister when he was formerly at the head of the government, and was later added to by the present leader of the opposition in 1933 or 1934. Then there are a few architects in connection with designing buildings in the parks, and Indian schools and Indian office buildings that have to be erected here and there for administrative purposes. That and the clerks and draftsmen comprise the greater part of the expense. Of this amount of $136,000 odd, approximately $119,000 or $120,000 is for salaries. There is $6,000 for printing and stationery, provision for drafting blue-prints and plans, and so on, travelling expenses and sundry items.

Mr. STIRLING: This is what one might call the design and supervision—to take one instance—of the Banff-Jasper highway?

Mr. CRERAR: Yes.

Mr. STIRLING: Where is the vote for the actual work that is being carried out?

Mr. CRERAR: Part of the expenditures in connection with the Banff-Jasper and the Revelstoke-Golden roads is included in this; that is, the supervision of the staff that is doing the work.

Mr. STIRLING: What about wages, dynamite and tools?

Mr. CRERAR: That is not in this.

Mr. STIRLING: Where is it?

Mr. CRERAR: That will be in the supplementary vote when brought down. It is hoped to carry on the work this year.

Mr. STIRLING: Is it still looked upon as a relief measure?

Mr. CRERAR: I think it will probably be voted in the supplementary estimates this year. Since 1931 or 1932 that work has been more or less classed as relief work. It has been carried on under the former Public Works Construction Act, and later special supplementary estimates were introduced. In the public mind it is related to relief. The likelihood is that when the votes for these works are brought down this year they will be brought down as straight supplementary estimates.

Item agreed to.

Geodetic service, $160,500.

Mr. STEWART: What is the reason for the increase in this item?

Mr. CRERAR: It is all accounted for by the five per cent salary deduction that was restored a year ago. The estimates brought down at that time did not include the five per cent increase; it is included in the present estimates. I believe that actually, if we put it on a proper comparative basis, there would be a slight decline in the vote.

Mr. STIRLING: Why does an item sometimes refer to temporary assistance, whereas this one speaks of wages? Is there any relation between the two? The wages item is up $4,000.

Mr. CRERAR: The wages here are for the field parties that go out on geodetic surveys. This item of wages is to cover the help that is required, I suppose, such as canoe men, cooks, labourers and the like.

Mr. STIRLING: Will there be a greater number of parties out this year to account for the fifty per cent increase in wages?

Mr. CRERAR: No. There will be no more parties out this year than last year: probably not so many.

Mr. STIRLING: Then why is the item up $4,000?

Mr. CRERAR: The increase is partly accounted for by the restoration of the five per cent cut.

Mr. STIRLING: Oh, no. It was $9,700 and it is now $13,600.

Mr. STEWART: It is a separate item.

Mr. CRERAR: There has been a decrease in certain other items that go to make up the total vote, and that decrease has been used up, so to speak, in an endeavour to increase the field work, which has fallen behind to some extent.

Mr. CLARKE (Rosedale): There is an increase in travelling expenses. Does this mean that there are more people travelling, or are we to assume that they pay more and have better accommodation?

Mr. CRERAR: There is an increase from $950 to $1,350, or an increase of $400. That is put there because in the program of work this year the engineers will probably have to go a little further from Ottawa than they did a year ago. The work will be in the lower St. Lawrence, and some part of it in British Columbia.

Item agreed to.

International boundary commission, $30,800.

Mr. MacNICOL: What relation has the work performed by the engineers referred to in this particular item to the work which, the minister said, engineers had to do in relation to international waters under item No. 152? Further, Canada votes $30,800 this year for the international boundary commission; do the United States vote an equal amount, and do the United States estimates call for the same number of engineers, namely five?

Mr. CRERAR: As a matter of fact the United States spend a very considerable amount more on this work than Canada does. The international boundary commission have the responsibility of maintaining the boundary markings between Canada and the United States. That work, of course, has to be carefully and accurately done. I understand that periodically they cover the boundary, see that the markings are maintained, that is, that the posts are in place, and if the line runs through an area where there is timber it is cut out for a certain distance on either side. For the past few years they have been working accurately to define the boundary in the mountain section in British Columbia between that province and the states on the south. That is substantially the routine work of the commission.

Mr. STIRLING: Here again we have this division of items into a thing called "wages," which is $1,200 up, and then total salaries and wages, which is $2,000 up. What is this item of "wages" which is continually appearing?

Mr. CRERAR: That, again, covers the labourers and help of that kind which is necessary on these survey parties. For instance they send out a party to mark these boundaries; they require equipment and labourers if a boundary line passes through timber which has grown up and has to be cut out and cleared up. The item covers expenses incidental to that class of work.

Mr. CLARKE (Rosedale): The minister stated that the five per cent was applicable to the last item. I see from the details that the salaries of the engineer, surveys engineers, etc., to the international boundary commission are exactly the same as they were a year ago. Would that five per cent increase not apply to them?

Mr. CRERAR: If the hon. member will look at page 121 he will see that the vote was precisely the same a year ago as it is this year, but the $978 which was the salary deduction of five per cent was taken off last year; it is not taken off this year.

Mr. STEWART: Is the work of this commission about completed? From year to year we have heard it was almost done and that we might hope to have it finished at any time, except for maintenance.

Mr. CRERAR: The work is now, I believe, very largely maintenance work. I am informed that there are still a few sections of boundary, practically all in the more northern regions between Alaska and Canada, to be definitely determined. But the vote is practically all a maintenance work vote. It is necessary to have the boundary markings properly placed and maintained.

Item agreed to.

Hydrographic and map service—hydrographic service, $418,000.

Mr. MacNICOL: In connection with this item the same point again arises; we have $75,000 for wages and another amount for temporary help, bringing the total for wages and temporary help up to $109,000. How are these temporary employees engaged and how is the help recruited which is classed under the item "wages"? Approximately one-fourth of the whole item is either temporary help under its own classification or under the classification of "wages." There are many unemployed in my riding, and if the department would take temporary employees on a basis of so many from each riding, there are a number of men in my district who might qualify for this temporary employment. How are they engaged and from where do they come?

Mr. CRERAR: I am informed that to carry on this work four or five boats are in use during the period that the survey work is proceeding. It is necessary to have officers and crews, and according to the information given me, the item in the explanatory notes for temporary assistance covers ship's officers and temporary staff. If the hon. member will refer to page 122 of the estimates he will see that the item of $34,000 odd compares with $29,000 odd a year ago. Probably—I do not know—it is planned in the department to carry the work on for a little longer than it was carried on a year ago. The same explanation would apply to wages.

Mr. MacNICOL: But how are these temporary employees and wage earners engaged?

Mr. CRERAR: Temporary employees are certified by the civil service commission. The ordinary labourers, as I believe always has been the case, are not.

Progress reported.

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

After Recess

The house resumed at eight o'clock.

CIVIL SERVICE ACT

LANGUAGE QUALIFICATION OF PERSONS APPOINTED OR TRANSFERRED

On the order:

House in committee on Bill No. 3, an act to amend the Civil Service Act—Mr. Lacroix (Quebec-Montmorency).

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I move:

That this bill be not referred to the committee of the whole house but that it be referred to the special select committee on the operation of the Civil Service Act.

Motion agreed to.

COPYRIGHT AMENDMENT ACT, 1931

FURNISHING OF LIST OF DRAMATICO-MUSICAL OR MUSICAL WORKS OWNED OR CONTROLLED—PUBLIC RADIO RECEPTION OR GRAMOPHONE REPRODUCTION

The house resumed from Thursday, February 17, consideration of the motion of Mr. Esling for the second reading of Bill No. 12, to amend the Copyright Amendment Act, 1931.

Mr. D. A. McNIVEN (Regina City): I should like to congratulate the hon. member for Kootenay West (Mr. Esling) upon his initiative in introducing this bill, and upon his tenacity of purpose in pursuing the object of this bill session after session. This bill, as I understand it, merely requires the Canadian Performing Right Society to publish a list of the musical compositions which they purport to control, under the provisions of the Copyright Act; and, second, to exempt from payment of the fee provided under the terms of the act small business establishments which use the radio in a limited way. The Canadian Performing Right Society is a monopoly, a monopoly which in the exercise of its rights has incurred the antipathy and antagonism of countless people all the way across this country. This monopoly claims to have and to control the performing rights in the repertoires of the American Society of Composers, Authors and Publishers, the Performing Right Society, Limited, of England, and the societies of France, Germany, Austria, Italy, Spain, Sweden, Norway, Finland, Denmark, Hungary, Poland, Czechoslovakia, Roumania, Portugal, Switzerland, Brazil, Belgium and Holland, and it maintains that included in its repertoire are some two million pieces of music. In order to impress upon its prospective customers the necessity of taking out a licence and complying with its requirements, and paying the fees which it exacts, it sends out a circular letter which contains this paragraph:

In order that the society's legal rights in the performance of the copyright music which it controls may be appreciated, we beg to draw your attention to the recent actions in court taken by the society against (1) La Paloma Restaurant Limited of 386 Yonge street, Toronto, Ontario, and (2) Champs Hotel & Cafe Limited of 1905 South Railway street, Regina, Saskatchewan.

The society gives those two illustrations to show the extent of its influence and that it intends to enforce the rights which it claims from one end of the country to the other.

I am fully in accord with the generally accepted legal principle that a vendor must establish a good title to that which he proposes to sell. This society carries on its activities by means of spotters and agents who are located in the principal cities of the dominion and who travel from place to place. People who have radios in their places of business have no knowledge that these spotters or agents are among their customers. These spotters and agents visit fraternal societies where concert performances are put on, and should any musical number be included in the performance that fraternal society receives a demand either from the Performing Right Society itself or from its solicitors.

There is in progress at the present time in Regina a lawsuit in which this society seeks an injunction to restrain a small restaurant from receiving through the medium of its radio, for which it has paid the regular licence fee, a certain piece of music. Not long ago a restaurant proprietor received a demand from this society setting out that during a certain hour at his place of business there was received over the radio certain pieces of music, including "Mr. Ghost Goes to Town." The proprietor of that restaurant did not know that the Canadian Performing Right Society was included among his customers. The next piece was entitled, "You are all I Need." I assume they meant by that that his custom was what the society required. Should he comply with their requirement, sign an application for a licence, give the details which they require from time to time and pay the fee, the next number received in his place of business would be entirely applicable, being entitled "You're an Angel." And if he continued paying these fees and filing the returns required by the society from time to time, the title of the next piece of music would be most appropriate: "When I grow too old to Dream." He and his customers having listened to these selections of music, he was required to take out a licence, to send in the details which they require from time to time and to pay a minimum licence fee of $10. Bear in mind, Mr. Speaker, that the proprietor of this and proprietors of hundreds of other establishments have paid the regular licence fee required by the Canadian Broadcasting Corporation, for the use of a radio receiving set, and having paid that fee and made his investment in the radio he feels he is entitled to receive over the air the broadcast programs.

Hon. members will recall, for example, the Imperial Oil broadcasts of the hockey matches on Saturday evenings, in which there are interludes of musical numbers. The Canadian Performing Right Society does not claim a monopoly of the hockey broadcasts; but while you are listening to them certain musical numbers are played in the intermissions, which numbers this society invariably claims to control, and if its demands are not met, legal action is threatened.

Mr. Speaker, I propose to support the second reading of this bill.

Mr. C. E. BOTHWELL (Swift Current): I desire to add a word in support of the second reading of this bill. I heartily endorse the remarks made by the last speaker. I also have had some experience with this Canadian Performing Right Society through the manager of an hotel in my home city. This hotel is managed as well as any hotel in the province of Saskatchewan. For the convenience of the public the proprietor set up a radio in the rotunda in order that the patrons of the hotel and those around town who had no other opportunity to listen to hockey broadcasts might hear them. Shortly after the radio was installed in the rotunda, he was called on by a representative of this organization who was described to me as both ignorant and insolent. He demanded a licence fee of either $22.50 or $27.50; I have forgotten the exact amount. The proprietor said, "Rather than pay that I will take the radio out of the rotunda. I do not use it anyway." It was really a nuisance to him, but was benefiting the people who could listen in. There was no music broadcast except such as would come in before the hockey broadcasts, or perhaps for a few minutes afterwards or between the periods.

No one seems to be able to find out just what selections this organization holds the copyright of, and the bill is framed to require this information to be published and given those who pay fees. Not only do owners of radios have to pay for the radio itself; they must pay, or it is expected that they will have to pay, a $2.50 fee in order to enjoy that radio. Surely if this society is simply going to compel every person in the country who puts on a little entertainment to take out a licence, the Canadian Broadcasting Corporation should boycott this organization altogether and have nothing that belongs to this outfit go out over the broadcast chain, until the society is willing to publish that list and furnish it to those who hold licences.

That is not unreasonable at all. Other organizations, such as churches, service clubs, etc., put on numbers without knowing that this society holds any copyright on them, and then they are called upon and required to pay a fee. It seems to me, Mr. Speaker, that this is the finest racket there is, and from the description which has been given of some of the inspectors or agents or spotters, as the last speaker called them, who come around on behalf of this society, they are racketeering in proper form.

The Saskatchewan Hotels Association, at a recent meeting, passed a resolution authorizing the president to write a letter in this regard, and I assume that letter has been received by many hon. members. In any case, a day or so ago I received such a letter, dated Regina, February 10, 1938. It reads as follows:

Mr. Wm. K. Esling, member for Kootenay West, is, we understand, presenting to parliament at this session a bill to amend the Copyright Amendment Act of 1931.

We, as hotel people in the province of Saskatchewan, believe that the tariffs charged hotels by the Canadian Performing Right Society are entirely unreasonable—that it is an unfair practice to make a charge for something, without establishing the right to make such a charge. No one seems to know the copyright works which are controlled by this society and those which are not. For that reason, they should be compelled to list all works under their control and supply such list yearly to each licensee.

Then, there is the matter of charging for dances. In the province of Saskatchewan there are perhaps only two large hotels that might be considered in a different class. One is situated in Saskatoon and the other in Regina. Other than possibly those two hotels, dances are permitted after a banquet at a very modest cost. At a great many of these functions, a price of fifty cents provides a meal and the room for dancing purposes, as well as other facilities attendant upon such occasions.

However, we then have to pay a fee to the Canadian Performing Right Society because of some numbers which the orchestra might play and over which the society is supposed to have control. We believe that orchestrations were written by the composers to be used by orchestras, and when they are purchased by these orchestras, the royalty is paid at that time. Therefore, we think it is wrong to collect another fee when such orchestrations are made use of as originally intended by the composers.

There is also the matter of radios and gramophones in hotels. There is not justifiable reason, after radio broadcasting companies pay a large sum to the Canadian Performing Right Society for the privilege of broadcasting numbers which they are supposed to have under their control, and then because we are on the receiving end of the broadcast, and are in the hotel business, we must pay a further fee for the right to use the radio, because at any moment, and without notice, a number supposedly controlled by the said society, might be presented. Certainly the matter of choice plays a most insignificant part in this society's reasoning.

We do not wish to make this letter too long and tiresome. Except for that, however, we could advance many other reasons for asking you to very earnestly consider and support the bill presented by Mr. Esling.

Thanking you,

Yours very sincerely,
Saskatchewan Hotels Association,
Geo. G. Grant,
President.

In addition to that, even Rotary clubs throughout the country which put on entertainment features for the purpose of raising money purely for relief purposes are charged licence fees by this same society. It seems impossible for any organization such as that to select music without getting into trouble with this organization, because no one seems to know upon what orchestrations or other musical numbers they hold the copyright. I do heartily support the motion for second reading of this bill.

Mr. VITAL MALLETTE (Jacques-Cartier) (Translation): Mr. Speaker, during the session of 1937, the hon. member for Kootenay West (Mr. Esling) introduced in this house a bill similar to that which we are now discussing, and I believe, the same one which he had presented in 1936. The sponsor of this bill is no doubt very familiar with the question which he is propounding. He is unquestionably in good faith, and I do not know what we should most admire in him, either his convictions or the insistence with which he expresses his views before this house.

We all remember that the bill which was presented to this house last year was well received, and that it was not passed just because we were asked to test for another year the act in force. It did not get through because the hon. Secretary of State (Mr. Rinfret) asked us to leave the question in abeyance for another twelve months. Now that the year has elapsed, and since the hon. member for Kootenay West brings up the question again, the time has come to ask the hon. Secretary of State whether circumstances now permit to grant the hon. member's request and to agree to the amendments which he is proposing. After all these amendments should appear reasonable to all those who read the bill. This bill contains only two sections, and the proposed amendment

to section 10 of the Copyright Amendment Act, 1931, reads as follows; from the 20th line down:

. . . and with each application for a licence or for the renewal thereof, the society shall furnish to those from whom fees are to be collected in compensation for the use of music on which the society controls copyright, a list of all titles of dramatico-musical or musical works so owned or controlled. Such list shall give the title, the name of the author and the date on which and country in which the work was copyrighted and the date on which the society registered in the Copyright Office at Ottawa its ownership or control of such work, and such list shall be certified to by the Secretary of State as a correct list of the works so registered.

It seems to me that it is quite reasonable to ask that anyone who has to pay the Canadian Performing Right Society any fees should know what works are covered by such fees, as well as the rights of those who claim it, in order not to be liable to pay for certain copyrights to no purpose at all.

What answer did the company make to the amendment proposed by the honourable member for Kootenay West? We have all received letters of propaganda on behalf of the Canadian Performing Right Society Limited. I have here a circular letter addressed to me by that company. This is what these gentlemen say on page 2 of their letter about bill No. 12 which we are now discussing:

(Text) (c) aims, by sec. 1, to force the printing and free distribution of a list of 2,000,000 works to about 10,000 persons or companies, the cost of which would be prohibitive and would in any case be out of date in a week's time.

What does that mean? Does it mean that they would take so much time to prepare the list that it would be out of date in a week, or that the changes would be so numerous that the list would become valueless in a week's time?

A hotelkeeper of Jacques Cartier constituency, which I have the honour to represent, brought to my attention a case which is typical of the procedure of this company's employees. Two customers entered his hotel and ordered a drink. After listening to the music provided by a special instrument installed in the hotel, they requested that a certain composition be played. When the hotelkeeper placed the record in the instrument and set it in motion, they informed him that he would have to pay a licence fee of $30 to the Canadian Performing Right Society Limited. As he refused to pay this sum immediately he received a series of letters demanding, first $30, then $20 and finally $10. Following my advice, I believe, he settled the matter for $10, the sum finally claimed from him.

[Mr. Mallette.]

Apart from the Canadian Performing Right Society Limited, Mr. Speaker, other societies are taking an interest in this bill. I was glad to hear, a moment ago, the hon. member for Swift Current (Mr. Bothwell) read to the house a memorandum from the Saskatchewan Hotelkeepers Association. I have myself received a letter from the Quebec Rural Hotelkeepers Association. May I, for the information of this hon. house, place on Hansard some of the observations made by this fine association:

We understand that the bill submitted by Mr. Esling to the House of Commons of Canada aims at putting an end to the existing difficulties and preventing the said Canadian Performing Right Society from claiming every year additional fees which are always considered too high and are most harmful to the hotel and tourist industry, not only in the province of Quebec but in every part of Canada.

In its memorandum, the rural hotelkeepers association of the province of Quebec approve of the bill we are now considering, not only because the measure is in their own interest, but also because the association fears that the interests of the tourist industry in Canada may be jeopardized.

Mr. Speaker, I submit that the bill brought down by the hon. member for Kootenay West is not harmful to the authors themselves. On the contrary, the hon. member has shown in his statement that they have his full sympathy. But he is anxious that our Canadian fellow-citizens should not be exploited by one or more societies doing business in Canada, be it under the name of Canadian Performing Right Society or any other name. This bill aims solely at protecting the public. The house will no doubt give it this year as much consideration as last year. From the speeches which we have just heard, it would seem that all are desirous of supporting this bill and I am sure we can ask the honourable the Secretary of State if circumstances have changed since last year, and if the general conditions connected with this matter have shown any improvement. Last year, most of us voted against the bill introduced by the hon. member for Kootenay West for the sole reason that the hon. the Secretary of State had requested us to leave the matter in abeyance for another year, so that it might be possible to see how the law would work out.

Accordingly, Mr. Speaker, I am supporting the bill introduced by the hon. member for Kootenay West, and should there be a division, I may assure him that I will vote for the measure.

Mr. J. S. TAYLOR (Nanaimo): Mr. Speaker, I cannot help feeling that the hon. member for Kootenay West (Mr. Esling) is in the right vibration when in this bill he attempts to contest the position of the Canadian Performing Right Society. It is absolutely necessary that we in Canada benefit by the cultural heritage and achievements of the world in general, and it is not unjust that when these things lie outside the public domain we should be prepared to pay for the use of them.

I am disposed to believe that the performing right society, in dispensing their wares to the people of Canada, are assuming all the prerogatives of a complete monopoly, and they are doing this in the not unnatural assurance that time will tend to confirm them in their position, and to eliminate contending elements. I am disposed to believe that they are quite unable to produce a list of the works which they assume to control. I have in mind the facility with which such a society can procure the services of hacks in order to make arrangements of certain works which lie in the public domain, or of which they would not be able to avail themselves in their original presentation.

Having said this, I reach the matter of broadcasting. I contend that the Canadian Performing Right Society has no right to assert itself beyond the original broadcasting studio. The government licenses radios through its own company, the Canadian Broadcasting Corporation, and pays for the programs it broadcasts. In such a transaction with the society there should begin and end the expression of the society's position. To-day the society collects at the point of broadcast, and then it follows the waves along to collect again at the point of dissemination. In my opinion, in so doing it invades a territory to which it has no title, and usurps a function to which it has no right. Further, I believe its activity in any country, and especially in Canada under present conditions, will tend to destroy the development of cultural initiative upon the part of our people. If it is left secure in its monopolistic arrogance, small inducement will be presented to Canadian artists to produce Canadian works. The more I think of the matter the more I am satisfied that the Canadian Broadcasting Corporation is the one company representing this cultural arm of the government and the people of Canada, and that it should deal with all users of radio, and with broadcasting media.

The Canadian Broadcasting Corporation should contract with the performing right society, and with any other group of cultural disseminators—there is no reason to believe there will not be others—in arranging reasonable tax rates which may be recovered through small added taxes on restaurants, hotels or other disseminating users. Such taxes should also provide an excess which would be applied to recompense purely Canadian talent in Canada, and so bring us to the honoured place where we might receive and rejoice in a greatly increased Canadian cultural expression, while still paying reasonable tribute for what the world has to give us.

For these reasons I have much pleasure in supporting the bill.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, the hon. member for Kootenay West (Mr. Esling), has expressed the hope that in considering this bill hon. members will look upon it not as a party matter but simply as a means of serving their constituents. I believe the hon. member will admit that that hope has been largely fulfilled inasmuch as the expressions of opinion have not been along party lines. Hon. members have expressed their individual opinions when speaking to this bill. As a general rule this is how copyright matters have been treated when brought before the house. Before I became a member of the government I remember that hon. members on both sides treated this involved and complex matter of copyright as one of individual concern.

Before I discuss the bill itself I should like to enunciate one or two principles which, it seems to me, must be considered in a discussion of this bill. Whether or not the bill is adopted, I do not think its meaning should be misconstrued. Copyright is by no means a tax or a permit or a levy; it is a property right. If a man has written a book or composed a piece of music, not only is he entitled to be considered the author or composer; not only is he entitled to the profits from the sales of such book or music, but he has the right to control over the performance thereof. In my opinion we should not tamper with this sacred principle.

I might add that in considering this bill we are dealing not with the principle of copyright, but with the Canadian Performing Right Society which claims to have acquired the performing rights to not only one, to not only a hundred, but to a million pieces of music. We have to face not just the exercise of a right by an author or composer, but the exercise of rights by a monopoly covering the performance of practically all music subject to copyright. I am sure that

the introducer of this bill will not object to this distinction, as I think it gives to his bill the strength he is seeking.

Different governments that have had to do with copyright have taken the stand that there should be sections in the bill dealing with societies such as the one we are discussing. Following the international conference which took place in Rome in 1928, the Secretary of State of that time introduced a bill in 1931. While that bill followed fairly closely what had been adopted in Rome, the then Secretary of State felt that there should be a special section dealing with societies such as the Canadian Performing Right Society and section 10 of the amending bill of 1931 deals with that situation.

Subsection 2 of that section states that whenever in the opinion of the minister a society controlling a large number of pieces files rates that seem to be excessive, it shall be within the power of the minister to institute an inquiry into such rates. After representations had been made to the then government, the then Secretary of State took the stand that the rates of the Canadian Performing Right Society were disputable. Under an order in council dated March 22, 1935, the then government appointed Judge Parker as a commissioner to inquire into the Canadian Performing Right Society. This inquiry has been alluded to in former debates, and time will not permit me to go into any detail. The commissioner went into the situation very thoroughly and filed a report dated October 29, 1935.

It then became the duty of the succeeding government, through myself as Secretary of State, to give consequence to that report. I think the amending bill of 1935 implemented all the recommendations contained in the report, the main one being the appointment of an appeal board before which the rates of societies such as the one we are discussing could be considered by both sides. The decision of the board was to be final. When my hon. friend introduced his bill last year, I pointed out that this appeal board had been in existence for only a couple of months and it did not seem fair to amend the act further without waiting to see how the board worked out.

I pointed out also that it was the hope of the government that an international conference might be held in Brussels at which copyright matters would be considered. For these reasons it did not seem to me advisable to further amend the act. The house rejected that bill; but, as has been stated to-night, this rejection was not because of the principle of the bill but because the house was willing to agree with my argument for delay.

This appeal board has now sat on two different occasions, once in December, 1936, and again in December, 1937. I have come to the conclusion that as regards the first section of this bill, it is not within the competence of the board at all and it is not likely that we shall get any enlightenment from that source. In connection with the matter dealt with by the second section, that is, the rates charged by the performing right society to hotels, restaurants and other places where music is reproduced by a mechanical process, the board apparently has taken the stand that it must maintain some rates as long as the act acknowledges the right to charge a certain rate for a certain purpose. I agree that the house must now deal with this bill on its merits. The reasons that actuated me in asking the house last year not to hurry into a pronouncement on the bill do not exist at the present time.

As for the international conference, I regret to say that it seems to have been indefinitely postponed. By that, I do not mean that it may be years before a meeting of the kind is held, but the fact is that no positive date is actually foreseen. That may be due perhaps to the grave international difficulties which exist abroad. I think, however, that it would be a mistake, if an adjustment must be made, to delay the matter further merely in the hope that perhaps within a certain space of time we may have more definite pronouncements on these very questions.

Of course, the main difficulty that parliament cannot escape is the question whether we can adopt a bill of this kind without contravening the agreement which we have entered into with the other nations. That, I must admit, is a most embarrassing question, and I must say that, so far as authorities are concerned. I have not been able to secure any agreement in that respect. It would not be fair to the house if I did not say that there may be a doubt as to whether, according to the Rome agreement of 1928, we can do exactly what my hon. friend proposes to-night. But the doubt is just as grave in the other direction. It can be contended, though, that the meeting of 1928, as regards a monopolistic society such as the one we are now discussing, made no definite pronouncement. I know that in several countries since that conference there has been adopted some method of control, either state control or control through an appeal board such as we have in Canada, or control by means of legislation of some kind.

I do not think I am misleading the house when I say that the question of control over a very large number of copyright pieces, such as is claimed by the performing right society, could not fail to be one of the main features of a future international conference and agreement; but I cannot say that we have any definite pronouncement to the effect that that would preclude parliament from adopting measures of control in face of a situation of that kind.

That would apply especially to the first section wherein it is proposed that the company shall furnish to those to whom they sell licences, lists of works for which they claim copyright and performing right. I must say in all frankness that I consider the section rather futile; I do not think it is very useful. If you consider it carefully you will find that this society in selling licences allows the use of everything it has in stock. There is no reason, therefore, why anybody buying a licence should desire to have a list of all the works controlled by the society, because he knows when he buys a licence that he is free to use any. The section will be more useful when in the future several societies control different lists and appear on the market; but at the present time I do not think the section can be very useful, and I know it would be burdensome to the society and might have the effect in the long run of forcing them with a certain degree of reasonableness, to increase the price of their licence. But as we have provided in previous legislation to exact from the society a list to be filed with the Secretary of State, I fail to see, although the argument has been presented to us from outside quarters, how there can be more of a contravention of any international agreement to provide that, such a list having been filed with us, it should also be supplied to the public. For that reason I shall not take exception to the section, although, as I have said, I do not think it will serve any great purpose.

The second section is in my opinion much more important. It deals with the reproduction of music, by radio or gramophone. This was one of the principal subjects discussed at the last conference in Rome, and it was dealt with in two articles which I shall put on Hansard:

Article 11 bis.

(1) The authors of literary and artistic works enjoy the exclusive right to authorize the communication of their works to the public by radio diffusion.

(2) It belongs to the national legislatures of the countries of the union to regulate the conditions for the exercise of the right declared in the preceding paragraph, but such conditions shall have an effect strictly limited to the country which establishes them. They cannot in any case adversely affect the moral right of the author, nor the right which belongs to the author of obtaining an equitable remuneration fixed, in default of an amicable agreement, by competent authority.

Article 13.

(1) Authors of musical works have the exclusive right to authorize: (1) the adaptation of these works to instruments serving to reproduce them mechanically; (2) the public performance of the same works by means of these instruments.

(2) The limitations and conditions relative to the application of this article shall be determined by the domestic legislation of each country in its own case; but all limitations and conditions of this nature shall have an effect strictly limited to the country which shall have adopted them.

If you interpret these two articles in the only way in which they can be interpreted, there is no doubt in the first place that the composer of music is entitled to performing right when his music is reproduced by any mechanical process. But there is no doubt, either, that the convention has left to the individual countries which are parties to the agreement the right to legislate upon the matter in the way they think best suited to their own requirements. In 1931—and I must hasten, because I should like to get through before nine o'clock—the Secretary of State of the time in dealing with these articles added to his act a paragraph in the definitions reading:

(q) "performance" means any acoustic representation of a work or any visual representation of any dramatic action in a work, including a representation made by means of any mechanical instrument or by radio communication.

I submit that by the articles which I have read and also by this definition, which is included in our act, it is clearly stipulated that something should be paid for the performance by mechanical process of any piece of music. But it stops there. There has been no further provision preventing the government from legislating as to the price of the performance being paid one way or the other.

Let me now deal with the radio situation—and I think I can do so in very few words. The broadcasting stations are already paying to the Canadian Performing Right Society a very considerable price for the broadcasting of music. I am quite willing to take the stand personally that this is the proper way to meet the situation, because the broadcasting station chooses the piece of music that it wants to broadcast; it picks one piece of music rather than another. That is the very spirit of copyright; if you want to play my music you must pay me for it; if not, then do not play it. But what about the poor

fellow in the small restaurant who has a radio and turns it on to get a hockey match or, it may be, a speech by the leader of the opposition (Mr. Bennett). It may be a dramatic representation. And if, perchance, after one has listened to those different broadcasts for fifteen minutes—

Mr. BENNETT: Turn off the radio.

Mr. RINFRET: —there should come to the radio a piece of music controlled by the performing right society, this society claims payment for that particular broadcast. According to our act as it stands, I think the society has a right to do so; but that is what my hon. friend wants to have amended, and I am quite willing to take the stand, personally and also as Secretary of State, that inasmuch as the performance of music is paid for, it does not matter very much either from the point of view of copyright or of any international convention whether it is paid for by the broadcasting company or by the people who, having bought radios, have that music thrust upon them whether they have chosen to hear it or not.

I wish just to add that the total sum which may be collected by the society this year from radio broadcasting amounts to $83,081.22. That is computed on the number of radios in this country. Inasmuch as these broadcasting stations pay according to the number of radio receiving sets there are in the country, to a certain extent they are already paying for any receiver who gets that music through the receiving set.

Therefore, after pondering over the situation carefully, and after hearing representations made not only by many correspondents but by the hon. members who have taken a stand to-night on this matter—

Mr. BENNETT: Part of the time you were at the St. Henry election, you know.

Mr. RINFRET: I am sorry that, desiring to conclude before nine o'clock, I cannot be driven out of my line of argument—I do not feel that the government should delay in any further way the second reading of this bill. Two years ago the hon. member introduced his bill, and he was asked to make way for the government. Last year he also introduced the same bill; but on account of circumstances to which I alluded at the beginning of my remarks, I asked the house not to pass it. Now the whole business is before parliament; it is well known, and it can well be decided on its merits. I say, in conclusion, that the government will be guided in this matter by the vote of the house.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time, and passed.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF MINES AND RESOURCES

Surveys and engineering branch—hydrographic service, $418,000.

Hon. T. A. CRERAR (Minister of Mines and Resources): Before we proceed with the consideration of this item, I wish to correct an answer that I made this afternoon to the hon. member for Davenport, who inquired if there are any employees in the Department of Mines and Resources who draw salaries from two departments. I overlooked the fact that there are in the immigration branch certain employees who are really employees of the Department of National Revenue, and who are stationed principally at customs ports of entry. Across the Canadian international boundary, as my hon. friend knows, are a great many ports of entry. Many of these are light ports where there may not be more than half a dozen or even one or two in a day seeking to cross. Purely as a matter of economy arrangements have been made with the Department of National Revenue that their officers at such ports act as our immigration inspectors. For the service they render in that respect a small salary is allowed them. I think in most cases it is $10 or $12 a month. Only to that extent does the condition prevail to which my hon. friend referred this afternoon.

Mr. STIRLING: Would the minister give some information in regard to the progress made in the hydrographic survey of the Pacific coast? I take it this item covers the surveys that have been in operation up the coast of the Queen Charlotte islands.

Mr. CRERAR: That is in charting waters?

Mr. STIRLING: That is what this vote covers, is it not?

Mr. CRERAR: Yes. I am informed that the work was completed last year in the water adjacent to the Queen Charlotte islands. This year it is proposed to carry on the work between Vancouver island and the mainland, chiefly at the south part of the island.

Mr. STIRLING: Does the minister mean that the charting of the waters adjacent to the Queen Charlotte islands has been completed, or just that part of the work arranged for 1937?

Mr. CRERAR: There is further work yet to be done in that district. The survey of the part of the coastal waters of the Queen Charlotte islands under way last year has been completed. I cannot say at the moment the precise area covered, but this season the work is to be done between Vancouver island and the mainland chiefly at the south part of the island.

Mr. STIRLING: Does the department own the surveying vessels and equipment?

Mr. CRERAR: There are two vessels, one called the William J. Stewart and the other the Pender, that have been engaged in this survey work in the coastal waters of British Columbia.

Mr. STIRLING: They are hired vessels?

Mr. CRERAR: No; they are owned by the department.

Mr. BENNETT: One is new, built two or three years ago?

Mr. CRERAR: Yes, I understand the William J. Stewart is a comparatively new boat, only a few years old.

Mr. LENNARD: In the details on page 122 of the estimates, there is an item, wages, $75,302. What does that cover?

Mr. CRERAR: That is wages for ships' crews and shore parties as well as for board while on shore, for hydrographic officers, ships' officers and crews. That will be expended approximately as follows: On the steamship Acadia operating in the gulf of St. Lawrence and Quebec region, $17,100; the Cartier operating also in the gulf of St. Lawrence and Cape Breton, $15,750; the Boulton operating on the upper St. Lawrence river, the Ontario-Quebec section, $2,430; the Henry Hudson operating on the north shore of the lower St. Lawrence, $2,430. Then there is the Georgian Bay, Ontario survey, $2,250; the William J. Stewart on the Pacific coast, $28,350; the Pender on the Pacific coast, $5,400, and the Lillooet, laid up, also on the Pacific coast, $1,467. There is a small item for precise water levels on the St. Lawrence and great lakes, $25; and tidal and current surveys, $100. These are wages for the crews operating these vessels.

Mr. LENNARD: Are they permanent employees or temporary?

Mr. CRERAR: They are largely seasonal employees. These ships do not work in the winter.

Mr. LENNARD: But are the same men employed from year to year?

Mr. CRERAR: Sometimes. It varies.

Mr. LENNARD: This would not come under temporary assistance?

Mr. CRERAR: No.

Mr. NEILL: Was the Lillooet in commission last year?

Mr. CRERAR: No; she is laid up and will not be used this year, I am told.

Mr. NEILL: Is there not ample need for both boats operating on the Pacific coast?

Mr. CRERAR: There are two; there is the Pender and the William J. Stewart.

Mr. NEILL: The Pender is only a houseboat, is it not?

Mr. CRERAR: No; it is a little bigger than a houseboat; it does good work. The William J. Stewart of course, is the large boat of the service.

Item agreed to.

Legal surveys and map service, including grant of $350 to assist in printing the publication of the Canadian Institute of Surveying, $171,510.

Mr. BENNETT: How many people in the public service are engaged in making maps?

Mr. CRERAR: I am afraid I cannot at the moment give information as to the total number. In this particular subdivision of the department there are sixty-four permanent employees.

Mr. BENNETT: Perhaps the minister will say what other departments are engaged in making maps.

Mr. MACKENZIE (Vancouver): The Department of National Defence for one.

Mr. CRERAR: That and the Department of Mines and Resources I think are the only two.

Mr. BENNETT: I think the minister will find that there is another. Who makes the maps connected with the franchise act?

Mr. CRERAR: That is done under this particular vote.

Mr. BENNETT: They are doing that now?

Mr. CRERAR: Yes; that is part of the work which comes under this vote. I might

give the functions of the staff engaged under this vote. They are: To undertake all legal surveys required by the Department of Mines and Resources, including the Northwest and Yukon territories, National parks, ordnance lands and Indian reserves, and the legal surveys required by other government departments; to maintain the central office for indexing, filing and recording survey returns and plans of the surveys and engineering branch and supplying information from them; to compile and prepare from existing base maps or from published maps, electoral maps and general maps for use of the various government departments, air navigation maps, natural resource and railway maps, general maps of Canada and all types of maps except topographic made from original field surveys; and to print maps and charts, to distribute all departmental maps except those relating to mines and geology. Roughly those are the functions which are carried on by the subdivision covered by this vote.

Mr. MacNICOL: May I ask the minister why there is such a large increase, amounting to approximately $10,000, in the provision for temporary service in this branch of his department?

Mr. CRERAR: I am informed by the director that certain maps had to be prepared in connection with the trans-Canada air service and that there are temporary employees engaged for that work, which, I take it, largely accounts for the increase in temporary assistance from $1,980 to $12,010.

Mr. BENNETT: But these estimates become effective only on the first day of April next.

Mr. CRERAR: That is what it is for.

Mr. BENNETT: It cannot be for past expenditure.

Mr. CRERAR: I am informed that they have started the work already. I do not know how they are being paid at the moment.

Mr. BENNETT: There is a prohibition against it in the statute.

Mr. CRERAR: I certainly hope we are not violating any statute.

Mr. BENNETT: The minister knows that the statement made to him a moment ago by the director could not be possible within the law; that is, this could not be for work which has already commenced. These estimates have no applicability to anything until the first day of April, 1938, unless we vote money for governor general's warrants or matters of that kind. If this work is undertaken to be paid for out of a vote to be made, it is against the statute in that case made and provided, under which there must be an appropriation before the work can be undertaken unless there is a governor general's warrant for it.

[Mr. Crerar.]

Mr. CRERAR: From the information I get from the director I think perhaps the Department of Transport advanced a certain amount of money.

Mr. BENNETT: Out of unforeseen expenses, probably.

Mr. CRERAR: Probably; I do not know out of what vote it comes, but it is from that money that the staff presently engaged are being paid.

Mr. BENNETT: The trans-Canada airways is a separate entity, and there was provision with respect to its capital being advanced to pay for services rendered by the government. That might be the position.

Mr. CRERAR: That may be the position.

Mr. MacNICOL: In connection with all these items which refer to temporary assistance and wages the hon. member for Lincoln made the statement earlier in the day that the total was approximately half a million dollars. I have not made the total to be much over $100,000, but that is a good deal of money. In reference to what the minister said earlier in the afternoon, namely that the civil service commission selects those who are to perform the temporary service, I should like to ask a further question. If that is the case, there must have been a tremendous number of jobs advertised by the civil service commission. I have seen some jobs advertised, but nothing like the number that this provision for temporary service would call for. So I ask the minister: Are jobs which come under the heading of temporary assistance advertised and the successful applicants selected by the civil service commission?

Mr. CRERAR: Yes; but I might point out to my hon. friend that the temporary assistance referred to here might refer to civil servants who have been temporary for eight or ten years. That is, the employees have been in the service under a temporary classification and not in the permanent service.

Mr. BENNETT: That avoids superannuation difficulties.

Mr. CRERAR: Yes. As a matter of fact, I think there is a margin maintained in all the departments.

Mr. BENNETT: I believe there is a regulation covering the permanent and temporary employees in all the departments.

Mr. CRERAR: It is eighty to twenty, I believe.

Mr. STIRLING: To what extent has the public supported this mapmaking service? To what extent does the public purchase the maps, either by single copies, by the hundred or by the thousand, for use of societies and so on?

Mr. CRERAR: I am informed that we get about eighty or ninety orders a day for maps, and a small charge is made. Personally I think a charge should be made for every map which goes out, and, for that matter, for most reports which go out from government departments as well. Probably it would curb a little the demand that comes from certain quarters for maps and government reports of one kind and another. I think the principle is sound, and I may say here that it is one the application of which we hope to extend in this department.

Mr. STIRLING: Has the minister any figures as to the revenue over the last few years? Is it increasing?

Mr. CRERAR: I am informed that from the distribution of maps we receive between $8,000 and $9,000 a year.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

General—Book of Remembrance, $10,000.

Mr. LENNARD: Would the minister tell us just what progress has been made with the book of remembrance?

Hon. IAN MACKENZIE (Minister of National Defence): The agreement, approved by order in council, P.C. 865, of April 23, 1937, entered into with James Purves, heraldic artist, illuminator and designer, for the executing and completion of the book of remembrance expires on March 31, 1939. On that date the committee confidently expect the book to be complete in every detail, and ready for dedication in the memorial chamber.

On May 15, 1938, a total of 66,900 names will have been inscribed by hand on the vellum pages of the book. This will represent the total number of names to be inscribed.

The committee are satisfied with the illumination which is being done on the written pages; and with the progress which the artist is making in connection with the illumination being done on the dedicatory and other pages.

The boards for the cover of the book are prepared and the leather is on order.

The chief binder, public archives of Canada, who has given much time and thought to the question of binding the book, assures the committee that the book can be properly and permanently bound at public archives.

The final recommendation of the committee with respect to reproducing the book will be submitted for approval within ten days' time.

Mr. BENNETT: The hon. gentleman said 1937.

Mr. MACKENZIE (Vancouver): Yes. That is, the first agreement entered into in 1932 was for a period of five years.

Mr. BENNETT: I thought so. We made an agreement for five years. The work was not completed in five years, and last year a further agreement was made to carry it forward until 1939.

Mr. MACKENZIE (Vancouver): That is quite correct.

Mr. BROOKS: Will copies of this book be made for distribution or sale to the public?

Mr. MACKENZIE (Vancouver): I think the hope is that copies will be available for public institutions throughout the provinces.

Mr. BENNETT: Those will be photographic copies, as I understand it?

Mr. MACKENZIE (Vancouver): Yes, and a reproduction copy will be available.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Departmental administration, $190,670.

Hon. P. J. A. CARDIN (Minister of Public Works): Mr. Chairman, this covers the administration of the offices of the Minister of Public Works, the deputy minister, the purchasing agent, and the secretary of the department. The increase of $12,000 is mostly accounted for by the restoration of the five per cent cut, and statutory increases and promotions in the department. There are just a few new appointments.

Mr. BENNETT: Just a few?

Mr. CARDIN: Not very many

Mr. MacNICOL: I should like to ask a question, but if this is not the proper time I shall not go ahead with it. I should like to learn from the minister the routine between the Department of Public Works and the Post Office Department with reference to the moving of a post office from one situation to another. I have in mind something about which I wired the minister just before leaving for the coronation, namely the removal of a post office on St. Clair avenue west, Toronto, from ward 6 to ward 5. The information I

got at that time was that it was on recommendation from the Post Office Department to the Department of Public Works that the work was being done. Is this the proper time to ask the question? Is this the item under which an order for the removal of a post office from one position to another may be discussed?

Mr. BENNETT: The patronage committee, I would think.

Mr. CARDIN: Generally speaking, we follow the recommendation of the Post Office Department when they contend that the space allotted to them is not sufficient, or the building is not a proper one. Of course that is a general statement, but we must remember that the case mentioned by the hon. member is also very general. If he would give me further detail, I should be only too happy to give him all the information he wishes when we are considering the estimates at a later date. Probably he will indicate to me the special case he has in mind.

Mr. PELLETIER: Would the minister explain the provision of $3,000 for travelling expenses?

Mr. CARDIN: That amount covers the travelling expenses of the officers of the main office in Ottawa, including the deputy minister, the assistant to the deputy minister, and other officers of the branch headed by the minister. As I said a minute ago, the item covers the minister's office, and those of the deputy minister, the assistant deputy minister, the purchasing agent and the secretary of the department. It happens that the officers of these different branches have to travel, and that item covers it. I regret I have not the full particulars, but I shall have them later on. My idea was simply to call an item in the department.

Mr. PELLETIER: So we may take it to mean that in addition to this amount, there are other travelling expenses in the department.

Mr. CARDIN: Yes; for example, there are travelling expenses in the architects' branch, the chief engineer's branch, the telegraph branch, and others. These travelling expenses are enumerated under the different items, and when we reach them we will give the details. As I pointed out earlier, these travelling expenses relate more particularly to the offices of the minister and the deputy minister.

Mr. STEWART: In the item I notice what would appear to be a departure from or innovation in the practice of the department. So far as I know, for the first time there appears in the estimates an item of $3,300, for a clerk of tenders. I had not known of any such official in that department in the past, and I should like to know if this is a new departure. If so, what reasons have prompted the change? I know the minister appreciates the importance of this matter. A great many tenders are invited by the Department of Public Works, through advertising. The tenders come in sealed. In the past they have been left in the custody of the secretary, the deputy minister or some other official of the department. When the time arrived for the opening of tenders, those who had tendered were invited, and had a right to be present when the tenders were opened. I know that was true in the last few years, and I assume it is a practice which has continued under the present ministry.

Formerly there was no clerk of tenders, and I am wondering why it is thought necessary at this time to make the appointment, and to set up a new office. To cover the whole matter, and to save time when he is answering, the minister might tell us whether the clerk of tenders is a new appointee, whether he is appointed by the civil service commission, whether he was in the employ of the department before, and who he is.

Mr. CARDIN: I regret that at this time, for the reasons I have set out, I am not in a position to give the hon. member all these details. The position is new, but the man occupying it is a former employee of the department. He was in the service, and this is just a change of title which has been given to a man already in the service. If my memory serves me correctly, his name is Rivard. At all events I shall not insist upon passing the item at this time because I realize that it is important to have the information.

As regards the practice mentioned by the hon. member, of permitting contractors to be present when tenders are opened, may I reply that the practice still prevails in the department. All contractors are always welcome. In fact, either the contractors or their representatives are always present when tenders are opened. The practice followed in the time of the hon. member is still pursued.

Mr. STEWART: I am glad to hear that, because there is nothing more necessary than to establish in the public mind a confidence in the reception and disposition of tenders in a department such as the Department of Public Works. I am sure the minister appreciates the importance of what I say.

Mr. CARDIN: In many instances it is a protection for the minister.

Mr. STEWART: I am going to ask the minister to permit the item to stand, and

when it comes up again I should like to have full information on the points upon which I have asked for information, and in relation to this whole innovation. As I said, I should like to have the reasons for it, the effect of it, why it is thought necessary and how it is thought it will improve the practice which has heretofore existed. It seemed to me that all precautions were taken and everything done to satisfy the public in connection with tendering, and I should like to have full information as to why it is thought necessary to have a clerk of tenders.

Mr. CARDIN: I quite agree with that.

Mr. BENNETT: The minister might also give us such information as he has regarding the appointment of a purchasing agent. The previous government had in mind the establishment of a central purchasing authority, such as we had a long time ago and which saved us hundreds of thousands of dollars. The sale of material was another matter that gave all of us a good deal of difficulty. Perhaps the minister will inform us whether any effort has been made, and if so to what extent, to unify and simplify the matter of purchases by the various departments, because there will be a great deal said as we proceed, especially in connection with one department.

Mr. CARDIN: The item might stand.

Item stands.

POST OFFICE DEPARTMENT

Departmental administration, including amount required to pay allowances to typists, grade 1, employed cutting stencils, in accordance with regulations approved by order in council, $553,020.

Mr. BENNETT: I take it that the minister does not expect to pass this item but just wants to discuss it.

Hon. C. G. POWER (Acting Postmaster General): I would be quite willing to pass the item if the committee has no objection.

Mr. BENNETT: We would hesitate to deprive the minister of an opportunity to talk about his own item.

Mr. STEWART: Could we have some information as to the large increase in the number of employees?

Mr. POWER: The committee will notice that there is a decrease in the total item. There is an increase in the staff from 132 in 1937-38 to 150 this year. This is the report:

Additional positions provided in 1938-39 estimates:

Departmental administration—18.

2 stenographers, grade 3 (office of deputy postmaster general).

Additional assistance being required, two positions of stenographer, grade 3 were approved by the civil service commission, and authorized by order in council. The commission then issued promotion certificates on behalf of two permanent employees.

3 stenographers, grade 2 (administrative services).

2 stenographers, grade 1 (1 in administrative services; 1 in equipment and supply branch).

1 clerk, grade 2 (administrative services).

4 clerks, grade 1 (administrative services).

4 typists, grade 1 (administrative services).

1 packer and helper (equipment and supply branch).

1 office boy (administrative services).

These positions were approved by the civil service commission and authorized by order in council to provide for the permanent appointment through the commission of temporary employees of the same class in the branches named when the restriction on permanent appointments were removed by order in council.

Mr. STEWART: Has there been any reorganization of the service?

Mr. POWER: Some temporaries were made permanent.

Mr. STEWART: I mean an internal reorganization of the department.

Mr. POWER: I do not think so.

Mr. STEWART: Has there been an increase in the service through air mail or anything of that kind?

Mr. BENNETT: I was just going to direct the attention of the Minister of Mines and Resources to page 165 of the estimates where he will find a map draughtsman at $1,800. I told him before that I thought there was another draughtsman somewhere but I could not give it to him at the time. This map draughtsman in the Post Office Department would seem to be a duplication of his heroic effort to minimize duplication.

Mr. POWER: The explanation I have just received is that that draughtsman does not draw geographical maps.

Mr. BENNETT: I am told that there are political maps.

Mr. POWER: My information is that he draws maps of machinery, but perhaps that may have some connection with politics.

Mr. HEAPS: I do not know whether the minister cares to proceed beyond this one item to-night, but there is some information I should like to obtain and I was wondering if I should wait until the Postmaster General returns.

Mr. POWER: If my hon. friend would ask the questions, they would be on Hansard.

Mr. HEAPS: I would prefer to wait until his return.

Mr. THOMPSON: I notice there is an amount of $4,080 for a private secretary and then an additional allowance of $600 for the same purpose.

Mr. POWER: For many years the arrangement has been that when a private secretary has been in the permanent civil service he retains whatever salary he received and receives an additional allowance of $600 for acting as private secretary. These items do not mean that he receives $600 in addition to the $4,080; it means simply that he receives the $600 in addition to his regular salary in the department.

Mr. THOMPSON: Are these private secretaries still taken care of when the government changes after they have served for three years?

Mr. POWER: So far as I remember, the Civil Service Act was amended in 1934 or 1935.

Mr. BENNETT: It was amended before the late government came into office.

Mr. POWER: I was referring to the last amendment. Prior to 1930 a private secretary who had acted as such for a year was privileged to obtain a position in the permanent service of the government at a salary not less than that paid to a principal clerk, or chief clerk, I just forget which. In 1934 the Civil Service Act was amended to provide that before a private secretary could obtain that privilege he would be obliged to serve three years in that capacity. I believe that is the situation at the present time.

Mr. LENNARD: Will the minister tell us why this department has to have an "artist, lantern slides?" I was always under the impression that this was all handled by the Department of Trade and Commerce.

Mr. POWER: That is for publicity purposes. I imagine that a good part of his work would be in connection with the campaign which is put on during the Christmas season, "Post your mail early" and matters of that kind. One frequently sees sketches made by men who are in the habit of putting on lantern slides in the moving pictures.

Mr. BETTS: Who does the necessary repairs to the various post offices?

Mr. POWER: That is done by the Public Works department.

[Mr. Power.]

Mr. BETTS: That being the case, what is the necessity for a mechanical engineer, a senior engineer and an assistant mechanical engineer?

Mr. POWER: That would be in connection with machines used in post office work.

Mr. BROOKS: Will the minister explain the item for supervisor for rest room; where is this rest room, and for whom is it in operation? Is it for employees or visitors?

Mr. POWER: There are between four and five hundred women employees in the department at Ottawa, and a rest room has been placed at their disposal just as there are rest rooms in every building in which there are a number of departmental employees. The position of supervisor of rest room was created to look after that.

Mr. BROOKS: Has the minister a rest room in his department?

Mr. POWER: So far as the minister is concerned, he works all the time. I do not know what the staffs do, but I shall inquire.

Mr. WALSH: This is another item showing in a certain part a very substantial increase—

Mr. POWER: A decrease.

Mr. WALSH: No; an increase. In administration there is an increase from $278,060 to $298,520, represented by increase in staff. I assume the volume of business going through the Post Office Department has considerably increased during the past year, necessitating that increase in staff.

Mr. POWER: That can be accounted for in two ways. First, there is $11,012 which covers the five per cent deduction. As will be remembered, when other departments have been in supply it has been explained that the comparison with last year's estimates is not quite accurate in that last year, when the main estimates were brought down no provision was made for the five per cent deduction. The estimates came down with the five per cent deduction off all salaries, and later on, during the course of the session, a supplementary estimate was brought down whereby the five per cent was restored. But it was restored in a lump sum and not attributed to the particular departments to which it applied. Therefore, in comparing the $253,000 with the $273,000 one must take account of the salary deduction of $11,000 odd. In other words, there is a difference of approximately $9,000, which is accounted for by the eighteen extra employees whom I mentioned a moment ago; and the fact that the revenue of the post office has increased by $1,300,000, as compared with last year, would account for the increase.

Mr. HEAPS: I ought to voice a protest against this method of bringing down the post office estimates. Two years ago, when the estimates of this department were brought before us, there was a lengthy discussion in the committee regarding the manner in which the department submitted its estimates. I am not disputing the accuracy of the estimates, but the idea was that anyone examining the estimates as they have been submitted and are now being submitted cannot tell what they mean. One does not know what the estimates in themselves indicate; no one can get from them anything definite except that the expenditures estimated for the coming year are so many millions of dollars. Possibly there is a little more business than there was last year, but in the discussion we had in this chamber in the session of 1936 the Postmaster General gave an undertaking to the committee that in submitting future estimates he would bring down a statement of the sort which is submitted by any business executive to the shareholders of a company. In these estimates as we have them we can get no idea of what the business of the post office was for the past year or what it is likely to be for the coming year. We cannot tell from the estimates whether the department has made a profit or has been running at a loss. All we are asked to do is to vote the estimates in the absence of any substantial information. I should like to know why the the undertaking given by the Postmaster General two years ago has not been carried out, namely, that in subsequent years we should have a proper statement from which we might get a better understanding of the operations of the department.

Mr. POWER: The hon. member will find a great improvement in the manner in which the estimates are presented this year as compared with last year. Last year there were two items for the whole business of the post office; this year there will be found at least seven or eight. This year, under the item which we are now considering, departmental administration, there are given complete details of the persons employed in departmental administration. Last year that was all bulked, and it was impossible for members of the committee to ascertain exactly what was being done. I am familiar with the hon. gentleman's criticism. He would like the Post Office Department to give a profit and loss statement as any business would do. After all, this is one of the largest departments of public business, and he would like to have a statement of profit and loss showing rentals, cost of carrying mails, newspapers and so on. Do I understand that to be what the hon. gentleman has in mind?

Mr. HEAPS: More or less.

Mr. POWER: I can give that to some extent. A condensed comparative summary of the revenue of the Post Office Department and expenditure for the year ended March 31, 1937, and that estimated for the year 1938 will show: Revenue, postage stamps, cards, etc., sold for 1936-37: $28,179,322.60; estimated for 1937-38: $28,720,000. Postage paid in cash, 1936-37: $10,203,389.06; estimated for 1937-38: $10,882,000. All other revenue, 1936-37, $2,798,854.69; estimated 1937-38, $2,978,500. The gross revenue for 1936-37 is $41,181,566.35, and the estimated revenue for 1937-38 is $42,580,500. Deductions from revenue, 1936-37, postmasters' commissions and allowances, $6,384,055.93; discount to stamp vendors, special deliveries, transit charges and so forth, $522,958.42; making a total for 1936-37 of $6,907,014.35. 1937-38 estimates: Deductions from revenue, postmasters' commissions and allowances, $6,738,700; discounts to stamp vendors, special deliveries, transit charges, etc., $561,300; making an estimated total for 1937-38 of $7,300,000. Expenditures: 1936-37: Salaries, $16,187,668.62; mail service $13,526,697.60; miscellaneous, $830,-209.05; total of $30,538,575.27; 1937-38: Salaries, $7,448,936; mail service, $13,944,415; miscellaneous, $850,000; total, $32,243,378. 1936-37: Excess of revenue over outside services, $3,735,973; for 1937-38, $3,037,122.

Mr. HEAPS: Is that the net post office estimated profit for the ensuing year?

Mr. POWER: No. Next are the Public Works department charges. Although this is only a bookkeeping entry it is about $2,700,000. Rental value of post office space, including char service, fuel and light, amounts to $2,750,000.

Mr. BENNETT: What is the net result?

Mr. POWER: I wish to give just a few other items if my right hon. friend will permit me. We make an estimate of some credit items which should be given to us: Credit for franking privilege, $1,122,676; credit for the operation of the savings bank, $80,000. So that the surplus as given is $3,037,122.

Mr. BARBER: Does that include repairs to buildings?

Mr. POWER: Repairs to buildings are all done by the Public Works department. I should imagine that the public works charge is all-inclusive, because I see here it includes

char service, fuel and light; it also includes charges for repairs, furniture and all that kind of thing which goes into the work of the post office.

Mr. HEAPS: That does not answer the question I asked at first. Although the minister has given us the figures as the department has them, I do not see any good reason why a properly prepared statement in the form of an actual balance sheet of the utility as such, could not be submitted to the committee. I do not believe any hon. member, by cursorily listening to the figures just submitted by the acting Postmaster General, can make out what these figures really mean. He tells us there is a profit of something over a million dollars.

Mr. POWER: A surplus of $3,037,122.

Mr. HEAPS: Is that after deducting the amount which the Department of Public Works charges for the use of buildings?

Mr. POWER: No.

Mr. HEAPS: Well, then, the profit is not quite as large as is suggested by the acting Postmaster General. He has given us the credit side of the balance sheet; but he has forgotten to put down some of the debit items, one of which I shall mention at once. The Post Office Department obtains each year an enormous revenue from stamps which really should not be credited to that department.

Mr. POWERS: On cheques.

Mr. HEAPS: On cheques, yes. All stamps used for excise purposes which go to the revenue of the post office should be credited to the revenue of some other department. It is almost impossible to ascertain the value of the stamps which are used each year in Canada for excise purposes. If that were put against the credit items enumerated by the minister this evening, it would be extremely difficult to say whether the post office is operating at a profit or at a loss. Even with the opportunity of examining the figures as submitted by the post office we are unable to say whether it is making a profit. I am anxious that the post office, which is perhaps the largest utility operating in the dominion, should be carried on in the same manner as any well conducted enterprise would be; and it seems to me that the minister, instead of submitting the series of figures which have been presented this evening, should present a proper balance sheet each year showing the exact amount of the revenues, from what sources they have been derived, the expenditures, what they are for, and a comparison with previous years. I had expected that, as this matter was discussed in this chamber at considerable length a couple of years ago and the Postmaster General gave an undertaking that such a course would be followed, within a period of two years the post office would be able to adjust itself to that new form of bookkeeping which we were led to believe they would give to the committee, and I do not understand why after this lapse of time it is not forthcoming. Could the minister inform us what stands in the way of the presentation of a proper statement in the form of a balance sheet, whereby at a moment's glance hon. members would know how the post office had been operating during the past twelve months and what would be the estimated expenditures and revenues for the ensuing year? Can the minister give us any assurance that next year something of the sort can be submitted to us, we having waited already for two years?

Mr. BENNETT: If the hon. member will turn to the auditor general's report, Post Office Department, part P 2, and read the thirty pages between pages 2 and 32, he will find the information he seeks. But what I cannot understand is why we could not in these estimates detail the revenues and expenditures with as much particularity as they are in the auditor general's report. The report of the auditor general gives a complete statement of the revenues of the Post Office Department for the year ended March 31, 1937. In volume I there is a broad statement of it; but in volume II, which I hold in my hand, are the details. According to the auditor general, the Post Office Department for the year ended March 31, 1937, had a gross revenue of $41,181,566.35. To earn that gross revenue it was necessary to make expenditures out of the revenue as received, and those expenditures which are also stated at page 2 covered rent allowances, commissions, discounts, postage on parcels to other countries, indemnities, etc., showing a total of $6,907,014.35. The difference between that sum and the gross revenue to which I have just referred amounts to $34,274,552, being the total of net postal revenue for the year. Then follow the particulars of the expenditures made. And at page 32 of the auditor general's report there is the complete detail—that is complete under large headings—of what is on the thirty pages before that, showing that the total expenditures of the department were $31,906,272.05. Now the difference between that sum and $34,274,552, it will be observed, is something like $2,300,000. That

is the auditor general's report. Why the Post Office Department should show a different statement here this evening I do not know.

Mr. POWER: It is $2,394,220.73.

Mr. BENNETT: Yes; that is the correct figure according to the auditor general's report, but that is not the figure the minister gave this evening. I assume that was through error, because he was dealing with the sum he has just mentioned together with another sum which should not have been included.

Mr. POWER: I might recapitulate: Excess of revenue, $3,735,976.73—and here perhaps is where the difference comes in—headquarters administration and contingencies, $1,341,756, leaving a net surplus of $2,394,220.73. I am informed that the dominion government does not take into consideration the overhead, which would be represented by headquarters administration and contingencies. That would perhaps be the explanation, although I do not think it will satisfy my right hon. friend.

Mr. BENNETT: The auditor general's report we know to be accurate, because it is vouched for by the production of documents. What the hon. member for Winnipeg North (Mr. Heaps) said, and what I desire to support him in, is that we were to have before us not a statement such as we have now but a statement in connection with the post office estimates which would show the contemplated revenue from all sources, and the contemplated expenses broken up in much the same form as they are broken up here. In the estimates presented to us they are broken up, but not broken up under headings such as you find on page 32 of the auditor general's report. For instance, civil government, at Ottawa and outside; then travelling expenses amounting to $70,000; general expenses, materials, supplies, repairs, etc., $357,000; printing and stationery, $454,000. Then there is other outlay, that is payments to the rail companies for handling mail and to the air lines and steamship companies, and finally you have the total under the words "total expenditure," amounting to $31,906,272.05.

What the hon. member for Winnipeg North is seeking is that there should be in these estimates, as I believe it was understood there would be for the year 1938, a record indicating the contemplated revenues, not in detail of course but under the broad headings used in the auditor general's report. It is necessary to have that before one can arrive at any idea as to what the net revenue will be, because from the gross revenue derived from sale of stamps, etc., one has to deduct the amount which has to be spent immediately for the purpose of earning that money, namely, transport and matters of that kind. That leaves a balance. Then there was some additional casual revenue represented by $3,470.76 and fines and forfeitures, $171. The broad general statement will be found in volume I of the auditor general's report, Post Office Department. I say that because it has always been thus under all governments. Do not for a moment think that I am charging this administration with having done anything that was not done by previous governments. I am not suggesting that for a moment.

Mr. POWER: I have not suggested that as an alibi, either.

Mr. BENNETT: No, but that would come presently—

Mr. POWER: No, I thought of it a long time ago.

Mr. BENNETT: —in fact immediately if I resumed my seat. But I desire to point out that all that is sought is something which is not new in this house. When the present acting minister was sitting on this side I can recall the unpleasant hours that the then Postmaster General spent waiting anxiously for a Friday night on which the call went out, "Night or Blucher." Very often it used to be both "night" and "Blucher." Under those circumstances it is nothing new when I say that successive governments have been grappling with that question. The hon. member for Winnipeg North put it up to the minister whether we could not make a statement something similar to this, perhaps not with so much detail, indicating our contemplated or expected revenues, the expenditures that we are appropriating, because the auditor general is bound to take the credits item by item and show what has happened to the money thus voted by parliament. The minister is quite right when he says that great objection was taken to that large item amounting to many millions in which everything was included, in other words, a basket item. That item was objectionable to this house, and that was the grievance urged by the hon. member for Winnipeg North upon the government I think two years ago, this government with a new mandate from the people to lower the tariff and increase the taxes. In that glorious day they were to give us all the information we sought and indicate so large a surplus that we might increase the salaries of the rural mail carriers and provide satisfactory jobs for all those who desire to displace Conservatives. My hon. friend the surveyor (Mr. Fafard) laughs, because I can see that he knows perfectly

well, having mapped out the rural mail routes in his district, how great the difficulty is to provide for all these things in the manner that we anticipate before we get into office.

Mr. POWER: The manner to which our people are accustomed.

Mr. BENNETT: To which your people are accustomed; that may be. I suggest that it would not be difficult to show the relation of the contemplated expenditure to this contemplated revenue in the manner indicated. As the hon. member for Winnipeg North says, this is a utility. It stands on an entirely different basis from any other department.

Mr. POWER: On that point, without at all wishing to draw a red herring across the trail, but by way of digression, may I make this statement, that in my own department I found that against certain items we could place a revenue item. For instance, for the vetcraft shops I am obliged to ask parliament for something like $72,000, whereas really there is income of something like $50,000 to set off against it. The net loss would be about $25,000. Something similar occurs with reference to the sick mariners' fund, as my right hon. friend knows. I tried to make some arrangement with the treasury board to show in the estimates that there is a revenue coming in. I suppose the principle would apply to some extent in connection with the matter we are now discussing. It would be an estimated income. But I was informed that though this is done in Great Britain—

Mr. BENNETT: That is right.

Mr. POWER: —that against the appropriation there is an estimated revenue, this has never been the practice in Canada; and for some reason, which frankly I have not been able to understand, we are not permitted to enter in our estimates proposed or estimated revenue.

Mr. BENNETT: The reason is that the money is paid direct to the consolidated revenue fund.

Mr. POWER: And it does not come into the department; but if my right hon. friend would permit me to say so, I know of a case where it is not done.

Mr. BENNETT: So do I.

Mr. POWER: Where it would not be done.

Mr. BENNETT: We might exchange confidences.

Mr. POWER: It is not a confidence. In the case of vetcraft, at the end of the year, or at a certain period of the year, when large sums of moneys are expended on poppies and the returns from the poppy sales have not come in, the department runs very short of money, and in order to pay the salaries of the men employed in the vetcraft shops it would be necessary to obtain a governor general's warrant unless substantial sums were voted in the estimates prior to that time. But the money returns to the department. When the cheques come in from sales of poppies the money returns to the department. Perhaps that is a confidence, but I do not think so.

Mr. BENNETT: I am not going to take up too much time on this matter, but I might point out to the minister that the auditor general's report shows the total of the postal revenue for the year and indicates the heads under which that revenue is received. Then he gives the total gross revenue and the disbursements that are made from revenue, in other words the money that is spent from day to day for the purpose of earning that revenue, and this is given under half a dozen heads. That, it seems to me, would be possible in our estimates without difficulty; it is just what the minister has in his estimates now, plus half a page, for instance, merely indicating the estimated revenue during the year, just as has been done by the auditor general in his report. In the one instance we have the exact revenue and in the other we would have merely the contemplated revenue.

There might be one difficulty about that, and it might be a very considerable difficulty. If it should be contemplated that the postal rate should be reduced from three to two cents, and it should appear in the estimates in that form, it would anticipate the budget and therefore might lead to some difficulty. The minister has succeeded in breaking the estimate up partly in comparison with what it has been in the past, but it seems to me there would not be much difficulty in breaking it up into those items into which the auditor general has divided it.

Mr. POWER: It is broken up to some extent, as my right hon. friend knows, in the main estimates, and in answer to a question asked by the hon. member for Winnipeg North I have given further details. I could go still further and give him an estimate of the revenue for the year 1938 under each heading, such as postage stamps, second-class matter, third-class matter, metered mail and so on.

Mr. BENNETT: That is just what the hon. member says we were to have printed, rather than depend upon the statement of the minister.

Mr. POWER: My right hon. friend has been of this much assistance to me—and possibly he has put his finger on the real reason why this is not stated in the estimates—that at some time or another it may be proposed by the Minister of Finance either to reduce or to increase the rate on mail, and it would be impossible for the Postmaster General to make any estimate without divulging that fact.

Mr. BENNETT: He gave up $800,000 on United States magazines without consulting us.

Mr. TAYLOR (Nanaimo): I am generally in accord with this desire to have a proper business accounting in the Post Office Department, but I heard the hon. member for Winnipeg North refer to rents as one of the expenditures made in carrying on the business of the post office. I should like to hear whether the hon. gentleman desires the rents on all post offices to be assessed and recorded, because, if so, I cannot see how that can be done on a purely utilitarian basis, which is the only basis on which it could possibly enter into the post office account.

Mr. BENNETT: As a matter of fact, it does not enter into it at all in the auditor general's report.

Mr. TAYLOR (Nanaimo): I am raising the question.

Mr. STEWART: The hon. member for Winnipeg North on several occasions has brought forward this same query. Evidently he desires, as I know other hon. members also desire, to know how far the Post Office Department pays its way, whether there is a surplus or a deficit.

There are two or three factors which must be taken into consideration in addition to those mentioned by the minister. For instance, a post office building is required. It is constructed by the Department of Public Works, out of moneys voted for that purpose. It is maintained by the Public Works department, no charge being made to the Post Office Department and no details of expenditure appearing in the accounts of that department. Then the building is heated, and the cost of heating is paid out of a vote under the Public Works department for the maintenance of public buildings. There is also furniture, which to a considerable extent is supplied in the same way, from a vote for furnishings and supplies for public buildings. So if the hon. member for Winnipeg North were to get all this information, which I think it would be impossible to obtain, I fancy he would find that the Post Office Department does not carry itself, does not pay its way. I do not think there is any doubt about that.

Mr. POWER: I am inclined to agree with my hon. friend. In those circumstances the Post Office Department could not carry itself. Then very probably there would be some contra accounts. Very often in a post office building there are offices occupied by the customs department or half a dozen other departments. I know in my own city the Department of National Defence has offices in the post office; the department of health, the Department of Public Works and the Department of Justice also have offices in that building. There are half a dozen departments with offices in the post office in Quebec city, and I should imagine that the same condition obtains in a great many other localities. So I think the accounting would be difficult; I think the hon. member for Winnipeg North would admit that.

Mr. HEAPS: Yes; but I was under the impression that two years ago, when this matter was raised in the house, the Postmaster General undertook to obtain a proper accounting from the Public Works department, to find out what would be the rental value of all these buildings.

Mr. POWER: I should imagine that the figures I gave in response to the request of my hon. friend are those which the Postmaster General of the day agreed to obtain.

Mr. HEAPS: I think the minister is quite correct: I believe those figures which have been submitted to us to-night, amounting to about $2,750,000, were probably obtained as a result of negotiations between the Post Office Department and the Department of Public Works. I have always had a strenuous objection to the way in which our post office buildings have been built. The Department of Public Works builds post offices, and then says to the Post Office Department, "Here are some buildings for you whether you want them or whether you do not."

Mr. POWER: Oh, no.

Mr. HEAPS: Oh, yes. I make that definite statement, knowing the facts in one particular case, where a post office was erected for the Post Office Department, which post office that department did not want. I believe that is not the only case of that kind, because in the past post offices have been erected without any request on the part of the postal authorities, and I believe we had the promise last year or the year before that that state of affairs would be rectified. I hope it has been, and I hope that in the future no post office will be erected in any part of the Dominion of Canada unless it is at the request of the postal authorities themselves. It is quite

possible that if the Post Office Department were to have the say in the erection of these post offices this item of $2,750,000 might be considerably less. I do not know whether there has been any experience during the past twelve months, but perhaps the minister might say whether during that time the Post Office Department have been asked to take over buildings, for which no requests have come in from that department itself.

Mr. POWER: I am informed that there have not been, so far as we know. In any case, I shall be very glad to transmit the hon. member's observations to the Post Office Department. Meanwhile I would ask that the item stand.

Mr. MacNICOL: I should like to ask a question with respect to practice in the department. Last summer postal station L on St. Clair avenue, at the corner of Appleton and St. Clair, was moved from that location to a point about 500 feet east, on the opposite side of the street, from one ward to another. Through what means was that move made?

Mr. POWER: I am informed that this discussion might more properly come under another item, namely the item respecting salaries and other expenses, staff and so on.

Mr. STEWART: What number was the last one?

Mr. POWER: We are now on item No. 257. I would suggest that the discussion of the matter would come under item No. 258.

Mr. MacNICOL: That is satisfactory.

Item stands.

DEPARTMENT OF MINES AND RESOURCES

Lands, parks and forests branch—branch administration, $23,460.

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Chairman, this branch of the Department of Mines and Resources comes under the head of lands, parks and forests branch, and I believe I might briefly outline to the committee the functions of this particular branch. In the first place, it has to do with the government of the northwest territories.

Mr. BENNETT: Is this the only item respecting the northwest territories?

Mr. CRERAR: The item called is not. I am just giving a brief survey of the work of the branch. It has to do with the government of the northwest territories, and that is again subdivided into the eastern arctic and western arctic divisions. It has also to do with the government of the Yukon territory. Likewise, the branch is engaged in what is known as the dominion forest service. It is true that the forest lands are all owned by the provinces; but as hon. members will recall, the federal government has several forest experimental stations, and the administration of these come under this branch.

Then, there are forest products laboratories, one of which is in British Columbia, another in Ottawa and another, more definitely related to the pulp and paper industry, in the city of Montreal. Then, there is the matter of land registry. All the ordnance lands, admiralty lands and public lands, indeed, all the lands of the federal government which are not directly administered by other departments, such as the Department of National Defence, are administered by the Department of Mines and Resources, and come under the direction of this branch.

Mr. MacNICOL: Under this item?

Mr. CRERAR: No; I am just giving a general survey. We shall come back to particulars in a minute. In addition, there is the administration of national parks in Canada. I believe at the present time there are about twenty of them. Likewise, there is the administration of the Migratory Birds Convention Act. This briefly summarizes the work of the particular branch whose estimate we are about to consider.

Item No. 135 has to do with branch administration, including such matters as the salary of the director, and his immediate assistants. Indeed, it might be described as a sort of head office item for this branch of the department.

Item agreed to.

Government of the northwest territories—general administration, operation, maintenance and improvement of services, including Wood buffalo park, $245,320.

Mr. STIRLING: Would the minister give an account of the reindeer experiment?

Mr. CRERAR: The reindeer experiment appears to be working out satisfactorily. The herd is now more than 4,000 in number, and each fall a certain number are being slaughtered. The meat is distributed to some of the schools and hospitals at Aklavik, and also to the natives. I understand the skins are also utilized by the natives for clothing. From the information we have received so far, I believe that as the years go by the experiment will prove a very useful contribution to the natives of that region.

Some consideration is being given to getting the Eskimos interested in small reindeer herds of their own, so that they may be used, as in Lapland, as beasts of burden. The economy of Lapland I am told is largely dependent upon the reindeer, and I think it is possible that this might be repeated among our Eskimos in the north. To the extent that we succeed, we are making them more self-reliant and able to fend for themselves. At the present time the experiments look promising. A few Eskimo boys are being trained as herdsmen, and are being taught how to look after these animals.

Mr. STIRLING: Are the reindeers being protected? Is the Eskimo permitted to hunt them?

Mr. CRERAR: No; at the present time the reindeer are herded, and they are under supervision.

Mr. BENNETT: The journey has been completed, has it not?

Mr. CRERAR: Yes.

Mr. BENNETT: How many are there now?

Mr. CRERAR: I stated a moment ago there were something over 4,000.

Mr. NEEDHAM: Could the minister give us a report on the buffalo that were returned to the range around Fort Vermilion? I believe they were taken from the buffalo park at Wainwright some years ago.

Mr. CRERAR: They appear to be doing quite well. Those buffalo are partly in the northwest territories and partially in the extreme northern part of Alberta. It is very difficult to get an accurate census of the buffalo, but as nearly as the park wardens can estimate there are upwards of 8,000.

Mr. NEEDHAM: Are they drifting south at all?

Mr. CRERAR: I suppose they overrun the boundaries of the park at times, but the park is very large and contains suitable pasturage. It is really the natural habitat of these animals. There are some wood buffalo there and as a matter of fact they do not tend to migrate to the south. I suppose if the herd were to increase to 100,000 or so, they would overrun the greater part of Alberta.

Mr. BARBER: I notice there is an increase from $32,000 to $49,000 in supplies and materials; could the minister explain this increase?

Mr. CRERAR: There would be medical supplies, additional food and fuel and equipment for the medical officers and provisions for the destitute. I notice that that particular item is $10,000.

Mr. BARBER: That would make up the increase?

Mr. CRERAR: Not altogether. There are years when the fur catch is quite light and the authorities say that at the present time we are in a low fur cycle. Under these circumstances the Indians, the Eskimos and the half-breeds have to be assisted and the requirements are greater. Only a week or so ago I had a telegram from a party who had just returned from Aklavik who painted a rather dark picture of conditions there. I do not think they are quite as bad as reported, but there is no doubt that the shortage of fur has a bearing upon the amount of supplies and relief necessary to be sent into the north country.

Mr. BARBER: That explanation would also cover the increase in the amount for hospitalization?

Mr. CRERAR: It would have a bearing upon that. When the natives are poorly nourished they are more susceptible to disease and there are more calls on our hospital accommodation.

Mr. BROOKS: I notice the hotels and shops in different parts of Canada have been selling buffalo meat, and I should like to know if there is any revenue from this sale.

Mr. CRERAR: There would be none in connection with the Wood Buffalo park in northern Alberta. Over 2,000 buffalo were slaughtered this year at Wainwright and Elk island. I think there were something like 5,000 or 6,000 in the Wainwright park alone. The park was overstocked, and it was a question of either extending the area and spending a good deal of money on fences, or reducing the herd by slaughter. It was considered that about 4,000 buffalo were sufficient for the purposes for which the park was created, and the surplus animals were slaughtered and the meat sold. The hides from this slaughter have been sold. The revenue derived from these sales will go into the consolidated revenue fund. While I am on this point I might direct the attention of hon. members to page 10 of the report of the Department of Mines and Resources where will be found a statement of the revenue turned into the consolidated revenue fund by the department for the fiscal year ended March 31 last.

Mr. BENNETT: It is set out in the auditor general's report.

Mr. BROOKS: Have any buffalo been sold to parks in the United States or in other parts of the world?

Mr. CRERAR: A couple of years ago a small shipment of half a dozen was sent to Germany, but there are no sales made.

Mr. BENNETT: Has the question of whether the Eskimo is an Eskimo or an Indian been decided yet?

Mr. CRERAR: No.

Mr. LAPOINTE (Quebec East): That question is before the supreme court.

Mr. CRERAR: I have been urging my colleague, the Minister of Justice, to secure a decision on that matter as quickly as possible as we are a little at controversy with the province of Quebec.

Mr. BENNETT: Has the case been argued?

Mr. LAPOINTE (Quebec East): No.

Mr. FAIR: Is the buffalo meat sold by tender or by other negotiations?

Mr. CRERAR: By advertised tender.

Mr. GREEN: What is the population of the northwest territories?

Mr. CRERAR: Approximately 1,500 white people, 4,000 Indians and 5,000 Eskimos.

Mr. GREEN: How is that population divided between the two districts?

Mr. CRERAR: The greater number is in the Mackenzie river country. There are very few Indians in the eastern arctic, the population being principally Eskimos.

Mr. PERLEY: Who was the successful tenderer this year for the buffalo meat? This meat was on sale in nearly all the towns in Saskatchewan.

Mr. CRERAR: Burns and Company, I am informed, were the highest tenderers and got the meat and the hides also.

Mr. FAIR: How many tenders were received for the buffalo meat?

Mr. CRERAR: I believe there were two, but I cannot recall at the moment the other tenderer. Both, however, were from packing companies.

Mr. BROOKS: Are the Eskimos of Canada self-supporting, or are they quite a burden on the Canadian government?

Mr. BENNETT: We have given them relief steadily during the last few years.

Mr. CRERAR: In the western arctic, broadly speaking west of Hudson bay, in the Mackenzie river country, they are pretty well self-supporting; they do not require a great deal of assistance from the government. Unfortunately, that is not the case to the same degree in the eastern arctic, and it is the eastern arctic that constitutes the main burden of relief so far as the Eskimos are concerned.

Mr. STEWART: There is an item of $54,810 for hospitalization, professional and other services, grants to schools, assistance to industrial homes; and for the year 1937-38 the amount was $51,460. Could the minister give the detailed expenditures under this item last year?

Mr. CRERAR: There has been some increase in pupils in the schools, and that involves additional grants for educational work. There was an increase in the number of pupils in the school at Aklavik and there have been a few additional nurses who have been sent in for hospital work.

Mr. STEWART: I did not make myself quite clear. What I wanted was not so much an explanation of the way in which the money was to be expended as a detailed statement of the actual expenditures made—the amounts to various institutions and organizations, and so on.

Mr. CRERAR: The total amount estimated for this year for hospitals is $19,500, which is an increase of $2,500 over the previous year.

Mr. STEWART: What I am more interested in is a statement giving the details of the expenditure in the past year—to what organizations the money was paid and how it was expended.

Mr. CRERAR: I do not think I have that information in detail. There are hospitals, for instance, in the western arctic at Fort Smith, Hay river and Fort Simpson. There are two at Aklavik, and in the eastern arctic, one at Chesterfield and one at Pangnirtung. The expenditures for these I gave a moment ago. The figure is $19,500, which is an increase as compared with last year. Then, there is maintenance of patients in provincial sanatoria and maintenance of those in provincial asylums. Individuals who become insane or become mental cases have to be sent out of the territory to institutions where they can be cared for. In this case they go to a provincial institution and their maintenance has to be taken care of. There is transportation of patients and there are other transportation charges, besides freight, cartage and express. At a score of points

there are schools which have to be maintained. The supplies for these schools and transportation of these supplies make up the item.

Mr. STEWART: Can the minister give any further details of the expenditure for the past year showing those to whom the amounts were paid?

Mr. CRERAR: I have not that information under my hand, but a note will be taken of the question and the information can be supplied.

Mr. MARTIN: What proportion of the population of the northwest territories is white, and is there any demand on the part of that population for representation in this chamber?

Mr. CRERAR: There are 1,500 whites, it is estimated.

Mr. BENNETT: That is in the whole of the northwest territories?

Mr. CRERAR: Yes; and so far I have not heard of any suggestion that they should be represented in parliament.

Mr. MARTIN: A bill was introduced into this house. These people are virtually disfranchised, and while the population is not large in comparison with the Yukon, it is not very small.

Mr. CRERAR: It is smaller than in the Yukon. At any rate, so far as I am aware, during my period of office here no request of the kind has come. Since this question has been raised, it may be interesting to observe there is a probability of there being a substantial increase in the white population in the western arctic during the next few years. One of the most promising fields potentially for gold mining has been discovered north of Great Slave lake, eight hundred miles north of Edmonton. I visited that area last September. One mine is going into operation shortly, and another is in process of construction. From present indications it would appear that there is a possibility of a considerable mining development in that country. That, of course, will increase the population and create problems in administration. I may say for the information of the committee that this is now receiving the consideration of the officers in the department. We desire if possible to see ahead the problems that may arise and prepare as far as we can for them. While so far there has not been, to my knowledge, any request from that area for representation in this parliament, I should not be surprised if it did arrive within a few years.

Mr. STIRLING: How will supplies go in to that new field?

Mr. CRERAR: North of Slave lake? Down the Athabaska river. It will go by railway from Edmonton to Waterways, which is the terminus of what I think is called the Northern Alberta railway.

Mr. BENNETT: It is the old Alberta and Great Waterways.

Mr. CRERAR: The old Alberta and Great Waterways, now operated by the Canadian Pacific and the Canadian National. From Waterways by boat down to Fitzgerald; from Fitzgerald by portage for sixteen miles to Fort Smith; that is over the rapids on the Slave river.

Mr. STIRLING: No; but the minister is now describing the way in. I thought he spoke of a new field to the north, again, of this one.

Mr. CRERAR: No; I am coming to that. From Fitzgerald to Smith on the Slave river; down the Slave river to Slave lake, and across Slave lake to these mining areas on the northern side.

Mr. PELLETIER: Does the minister mean the Peace river instead of the Slave river?

Mr. CRERAR: No; I am speaking about the Athabaska and Slave rivers. It may be of interest to the committee to have this information about the development which has taken place in that country. I should suppose that five years ago the total amount of freight moved from Waterways down the Athabaska river probably did not exceed 350 or 400 tons. Last year 22,000 tons of freight moved down this river.

Mr. PELLETIER: I did not think it was under this item that transportation facilities to the north country would be discussed.

Mr. CRERAR: No. My hon. friend is quite right. It will come up under another item. I am merely giving the information in response to a question.

Mr. CLARKE (Rosedale): I see that "sundries" have risen considerably, from $2,733 to $4,030. "Sundries" seem to be a place where considerable increases can be put in without exposing anything. Can the minister give details of how this larger amount has been made up?

Mr. CRERAR: That is an unallotted vote; it is a sort of general blanket vote put in for contingencies. I stated a moment ago that a considerable development had taken place

in this territory. It is not possible to foresee every item of expense that may be required, and consequently we thought it wise to increase this sundries vote rather more than a thousand dollars so that we would have something to fall back upon in case there arose the need for expenditures that at the present moment cannot be foreseen. It is difficult to tell what may arise in a district which is eight hundred miles north of Edmonton, to say nothing of the distance it is from the capital of the dominion.

Mr. CLARKE (Rosedale): That is quite all right, but the item considered as a percentage seems to be a large amount. Here we have an increase from $2,733 to $4,030, or nearly fifty per cent added to the amount expended last year under sundries. I think this item deserves more attention, and I should like to have a little more information about it.

Mr. CRERAR: I suggest to the committee that an increase of $1,300 is not an unreasonable amount. Of course, $1,300 is $1,300.

Mr. CLARKE (Rosedale): That is right. When one is talking in millions it does not mean much. I quite understand that.

Mr. CRERAR: But when one is talking of the development of a vast area of country it does not, I think, mean very much. I repeat that it is quite impossible to foresee every item or kind of expense that may arise in the next year; and we thought it wise—and I trust the committee will approve our judgment—to increase the item by the amount that my hon. friend has mentioned. After all, $1,300 is not very much when one considers the responsibilities that may arise there.

Mr. CLARKE (Rosedale): I ask again, Can we be given any idea of the principal items of which this vote will be made up? That is all. It is $1,300.

Mr. CRERAR: My hon. friend is referring to the sundries item?

Mr. CLARKE (Rosedale): Yes.

Mr. CRERAR: No; I cannot at the moment. We may have an epidemic of smallpox, or measles, or something of the kind which will have to be looked after. It might be that a number of people will go crazy in that country and will have to be brought out to a mental institution. Any one of half a dozen things of that general sort might happen.

Mr. CLARKE (Rosedale): It is too bad that the minister did not think of that last year when he brought down his estimates.

Mr. CRERAR: We may have erred last year.

Mr. GREEN: In the last few months there have been various statements by the premier of British Columbia to the effect that he was going to extend that province to include the Mackenzie river basin. Would the minister tell the committee whether there have been any negotiations with this end in view or negotiations of any kind dealing with the matter of that province taking over the Mackenzie river basin?

Mr. CRERAR: That is, the extension of the boundaries to the arctic?

Mr. GREEN: Yes.

Mr. CRERAR: No. I understand the premier of British Columbia recently gave out a statement at some future date he was going to make that request to the federal government, but so far as I am aware he has made no official request to the government.

Mr. GREEN: There has been no request made to date?

Mr. CRERAR: In respect to the extension of the boundaries of eastern British Columbia to the arctic?

Mr. GREEN: Yes.

Mr. CRERAR: There was, of course, in respect to the Yukon.

Mr. GREEN: But there has been no request made in regard to the Mackenzie river district?

Mr. CRERAR: No. It might have been mentioned in a letter to the Prime Minister —I am not sure about that—but it has not been to me. I know that Mr. Pattullo made a statement the other day in Vancouver or somewhere else in British Columbia to the effect that he intended to request that the boundaries of the province should be extended to the arctic.

Mr. GREEN: There are no negotiations under way at the present time?

Mr. CRERAR: No.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 23, 1938

The house met at three o'clock.

NEW MEMBER

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the chief electoral officer certificate of the election and return of the following member, viz:

Of Allan G. McAvity, Esquire, for the electoral district of Saint John-Albert.

NEW MEMBER INTRODUCED

Allan G. McAvity, Esquire, member for the electoral district of Saint John-Albert, introduced by Right Hon. W. L. Mackenzie King and Hon. J. E. Michaud.

CANADA GRAIN ACT

PROPOSED AMENDMENTS WITH RESPECT TO STATUTORY GRADES OF WESTERN GRAIN

Hon. W. D. EULER (Minister of Trade and Commerce) moved for leave to introduce Bill No. 27, to amend the Canada Grain Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BURLINGTON CHANNEL SOUTH PIER

Mr. LENNARD:

1. Who was the inspector for the government on the reconstruction of south pier, Burlington channel, during the year 1937?

2. What was the amount of his remuneration for the said year?

3. Is he paid by the month, week or day?

Mr. CARDIN:

1. William H. Caldwell.

2. $1,356 (from January 1, 1937, to completion of contract, Septemper 22, 1937).

3. Paid at the rate of 75 cents per hour.

POINTE DU CHENE, N.B., WHARF

Mr. BROOKS:

1. Was Mr. Thomas G. Gallant, of Barachois, parish of Shediac, Westmorland county, New Brunswick, construction foreman on public wharf at Pointe du Chene, Westmorland county, in the year 1937?

2. If so, on what dates was Mr. Gallant employed as such foreman, and what amount did he receive for his services?

Mr. CARDIN:

1. Yes.

2. (a) April 20 to 28 (8 days); May 1 to 21 (16½ days); June 11 to 30 (16 days); July 1 to 15, and 19 to 31 (21½ days); August 2, 3, 11 to 18, and 25 to 31 (15 days); September 1 to 17, and 20 to 29 (24 days); October 1 to 15 (12½ days); November 4 to 13, 16, 17, 19 to 23, 25 and 29 (16 days). (b) $647.50.

TWEED, ONT., POST OFFICE

Mr. GRAYDON:

1. Has the government acquired a site for a post office at Tweed, Ontario?

2. If so, what is the location of such site, when was it acquired, from whom, and for what price?

Mr. CARDIN: Yes, under the authority of an order in council passed on January 5, 1938, a site located at the southeast corner of Victoria and Bridge streets was acquired from Mrs. James Quinn in exchange for another property which had been purchased for $2,500.

NATIONAL PORTS COMMISSION ENGINEER

Mr. GARIEPY:

1. During the last year, what were the living and travelling expenses of Mr. Yuill, engineer of the national ports commission?

2. How much of same were charged to the port of Three Rivers during the same period?

3. What, if any, of his salary was charged to the port of Three Rivers during the same period?

Mr. HOWE: The following information is furnished by the National Harbours Board:

1. $805.75—total.

2. $354.15.

3. None direct. Head office expenses are assessed proportionately against the several harbours under the jurisdiction of the board in accordance with the provisions of the National Harbours Board Act.

THREE RIVERS, QUE., PUBLIC WORKS ENGINEER

Mr. GARIEPY:

1. Is it the intention of the government to reopen in the city of Three Rivers the office of engineer of the Department of Public Works which was closed in 1937?

2. Upon whose recommendation was said office closed?

3. To what point was the personnel of said office transferred?

4. What became of the archives and records of this office after it was closed?

5. Since said office was closed, under the jurisdiction of which public works engineer do the city of Three Rivers and surrounding district now fall?

Mr. CARDIN:

1. This office will be reopened if such action becomes necessary in the public interest.

2. The chief engineer and deputy minister of the Department of Public Works.

3. To the district offices at Quebec and Montreal.

4. Transferred to the district offices at Quebec and Montreal.

5. The counties of Champlain and Lotbiniere and easterly thereof to the district office at Quebec, and westerly thereof to the district office at Montreal.

STE. ANGELE-DE-LAVAL-THREE RIVERS BRIDGE

Mr. GARIEPY:

Has the government obtained a report on the advisability and advantages of constructing a bridge over the St. Lawrence river, linking Ste. Angele-de-Laval with the city of Three Rivers?

Mr. CARDIN:

No.

CANADIAN GOLD PRODUCTION, HOLDINGS AND EXPORT

Mr. POOLE:

1. How much gold was mined in Canada in 1936 and 1937?
2. Does the Central Bank possess the total gold of Canada?
3. What is the note issue at present time on the basis of gold holdings?
4. How much gold was exported?
5. To where?
6. For what purpose?

Mr. RINFRET:

1. 1936, 3,748,028 fine ounces; 1937, 4,054,799 fine ounces (preliminary figure).

2. No.

3. The Bank of Canada Act requires that the Bank of Canada maintain a reserve in gold coin and bullion of not less than 25 per cent of its note and deposit liabilities. As at February 9, 1938, the Bank of Canada held gold coin and bullion to the amount of $179,742,151.83, valued at the then world market price, against a note liability of $150,798,900.03 and a deposit liability of $223,080,806.18.

4.	1936	1937
Gold bullion other than monetary.. .. .. oz.	2,039,237	3,030,042
Gold-bearing quartz, dust and nuggets (gold content).. .. .. oz.	172,176	211,359
Gold coin.. .. .. oz.	Nil	Nil
Gold bullion, monetary.. .. .. oz.	Nil	Nil
5.		
Gold bullion other than monetary—		
United Kingdom.. .. .. oz.	126,845	71,592
United States.. .. .. oz.	1,912,392	2,958,450
Gold-bearing quartz, dust and nuggets (gold content)		
United Kingdom.. .. .. oz.	87	818
United States.. .. .. oz.	167,622	206,944
Belgium.. .. .. oz.	3,557	1,808
Germany.. .. .. oz.	910	241
Japan.. .. .. oz.	....	1,548

6. For sale.

HEAVY DUTY SCALES

Mr. BERTRAND (Prescott):

1. How many heavy duty scales have been inspected in each province of Canada during the calendar year of 1937?
2. How many of these scales were used for weighing grain in Canada?
3. How many of such scales were used for weighing other heavy commodities in Canada?
4. How many of each type of these scales have been rejected?
5. How many of each type of these scales were repaired or adjusted and then passed as correct?
6. How many of each type were discarded and replaced by new ones?
7. How many of each type are still under lock?

[Mr. Gariepy.]

Mr. EULER:

1. Prior to April 1, 1937, statistics for heavy duty scales (6,000 lbs. up) were not segregated.

The figures for the first ten months of the present fiscal year, namely, April 1, 1937 to January 31, 1938, are as follows:—

	Total number of scales
Ontario	3,233
Quebec	1,220
New Brunswick	170
Nova Scotia	257
Prince Edward Island	52
Manitoba	1,837
Saskatchewan	6,041
Alberta	4,111
British Columbia	316
Total	17,237

2. Grain—9,857.

3. Others—7,380.

4. Grain—1,487.
Others—2,798.

5. Grain—1,162.
Others—2,025.

6. No accurate information.

7. Grain—5.
Others—127.

*PENSIONS ADVOCATES—PENSIONS TO EX-SERVICE MEN

Mr. POOLE:

1. How many pensions advocates in the veterans bureau of the Department of Pensions and National Health were engaged in service in the actual theatre of war?

2. How many ex-service men are drawing 100 per cent or less pension who never served in the war?

3. How many ex-service men are employed in the civil service of Canada, who are drawing a pension; what is the amount paid to each; what salaries are they receiving, and what position do they occupy?

Mr. POWER:

1. Pensions advocates who served in France, 23; in England, 4; in Canada, 1; with no war service, 1.

2. The answer to No. 2, as put, would be, nil. However, if the question means, as is indicated in No. 1, the number who served in the actual theatre of war, the distribution is as follows:

France	69,917
England	6,660
Canada	2,750
Other theatres of war	462
Total	79,789

If the hon. member will look at the annual report of the Department of Pensions and National Health for the year ended March 31, 1937, page 59, tables 8 and 9, he will see a more complete distribution indicated, with the percentage of disability.

3. In the past several years this question has arisen on several occasions, and the reply of the minister has invariably been in the sense of that given by the hon. member for St. Lawrence-St. George (Mr. Cahan), when he was Secretary of State. In 1934 the hon. member made this statement, referring to a similar question:

> A year ago the hon. member made a similar inquiry and an order for return was made. It has been impossible during the year to obtain anything like a satisfactory return to that order, although to-day I have laid on the table of the house the best information we could obtain. During the present session I have laid on the table of the house sixteen portfolios containing the names of between 99,000 and 100,000 persons receiving pensions. To ascertain who of all those in the public service of Canada are receiving such pensions is impossible by mere comparison of names. It means that each department must send to every employee in the public service, permanent or temporary, to ascertain whether that person is one of those 99,000 or 100,00 persons whose names are mentioned.

These figures cover dependent as well as disability pensioners. I would suggest, in view of this statement, and of similar statements made since that time, that this part of the question be dropped.

EXPERIMENTAL FARMS—ENTERTAINMENT ALLOWANCE

Mr. MacRAE:

1. Is an entertainment allowance given to the superintendents of the various experimental farms and stations?

2. If so, how much?

3. What amount was paid to the respective superintendents of each station in the year 1937?

Mr. GARDINER:

1. No, but entertainment for official visitors on the basis of 75 cents per meal may be authorized.

2 and 3. Answered by No. 1.

BRAMPTON, ONT., ARMOURIES

Mr. GRAYDON:

1. What was the original cost of the armouries at Brampton, Ontario?

2. What year was it built?

3. Upon what dates was additional money spent on the said armouries?

4. How much was spent on each of such dates?

5. Is the government considering any addition or extension of the said armouries this year?

Mr. MACKENZIE (Vancouver):

1. $17,765.

2. 1913-1914.

3 and 4.

1914	$1,593
1915	1,146
1920-21	564
1921-22	1,219
1922-23	49
1925-26	160
1926-27	147
1927-28	82
1934-35	365
1936	320

5. Yes. An addition is contemplated.

GRADING OF HOGS

Mr. THOMPSON:

1. How many hog graders did the government employ in each of the years 1935, 1936, 1937?

2. What salaries were paid to these hog graders?

3. What was the total cost of hog grading in each year, 1935, 1936, 1937?

Mr. GARDINER:

1. 39 in 1935; 41 in 1936; 41 in 1937.

2. Senior swine grader, $2,520 to $2,760 per annum; Swine grader, $2,040 to $2,520 per annum; Junior swine grader, $1,620 to $2,160 per annum.

3. $106,144.85 in 1935; $113,709.65 in 1936; $118,752.06 in 1937.

CHARTERS ISSUED TO MERGERS AND COMBINES

Mr. THOMPSON:

How many charters did the government issue to mergers and combines in each year from 1921 to 1937 inclusive?

Mr. RINFRET: No charters have been issued under The Companies Act except for the purposes or objects and within the limits prescribed by the act. Every company incorporated under the Companies Act is subject, in the operation of its business, to the provisions of the criminal code relating to the restraint of trade, to the Combines Investigation Act, and to other statutes of Canada having general application. No letters patent have been issued to any company or corporation purporting to except it from the operation of laws relating to restraint of trade and combines.

GOVERNMENT LIGHTHOUSE TENDER "ALBERNI"

Mr NEILL:

1. When did the government lighthouse tender, Alberni, arrive on the British Columbia coast?

[Mr. Graydon.]

2. Since that date, how many times has she been in drydock?

3. On what dates, what work was necessary on each occasion, and what did it cost?

4. How many knots is its ordinary rate of travel?

5. At such rate, what is its coal consumption in 24 hours of consecutive travel?

Mr. HOWE:

1. Victoria, B.C., January 18, 1937.

2. Once.

3. Dates: October 27, 1937, to November 2, 1937.

Docking, scraping, wire-brushing, hull painting, sea valves and cocks examined	$ 550 00
Deck repairs and renewals	3,227 00
Machinery repairs and renewals	1,681 77
	$ 5,458 77

4. Speed 6½ knots before docking; speed 7½ knots since docking.

5. 13½ tons.

*CANADIAN BROADCASTING CORPORATION

Mr. LAWSON:

As of January 31, 1938, how many employees has the Canadian Broadcasting Corporation serving in: (a) Ottawa; (b) Toronto; (c) Montreal?

Mr. LAWSON:

1. What are the names and addresses of all persons employed by the Canadian Broadcasting Corporation who are paid salaries of $3,600 per annum or more?

2. What are the salaries received by each of such above persons?

Mr. LAWSON:

1. How many employees: (a) full time; (b) part time, had the Canadian Broadcasting Corporation on March 31, 1936?

2. What was the aggregate salary of such employees?

3. How many employees: (a) full time; (b) part time, had the Canadian Broadcasting Corporation on March 31, 1937?

4. What was the aggregate of their salaries?

5. How many employees: (a) full time; (b) part time, had the Canadian Broadcasting Corporation on January 31, 1938?

6. What was the aggregate of their salaries for the period April 1, 1937, to January 31, 1938, inclusive?

Mr. HOWE: Mr. Speaker, these three questions refer to matters connected with the internal management of the Canadian Radio Broadcasting Corporation, and cannot be answered for reasons I stated a few days ago. May I add, however, that within a few days a committee of the house dealing with radio broadcasting will be functioning, and at that time these and any other questions will be answered by the management.

Mr. SPEAKER: Questions 25, 26 and 27 dropped.

Mr. BENNETT: It is only fair to point out that some of those employees are appointed by governor in council; that is what it amounts to.

VICTORIAVILLE, QUE., SEWER

Mr. GIROUARD:

1. Has the government or any of its departments contributed to the construction of a main sewer in the city of Victoriaville, province of Quebec?

2. If so, what respective portion is to be paid by the federal government, the provincial government and the municipality?

3. How many persons worked on such construction, what are their names and addresses, and how much did each receive per day?

Mr. ROGERS:

1. Yes.

2. Under the provisions of The Unemployment Relief Act, 1930, the dominion contributed $3,750 towards the construction of "aqueduct, sewers and bridge" in Victoriaville, the province of Quebec contributing a like amount, the municipality contributing $7,500.

Under the provisions of The Unemployment Relief and Assistance Act, 1936, the dominion contributed $8,000 towards the "construction of sewers on Notre Dame, Albert and Saint Joseph Streets," the province of Quebec contributing a like amount.

3. The works referred to in 2 above having been carried out under the jurisdiction of the municipal authorities, the names and addresses of the persons employed thereon and their earnings are not matters of record with the dominion government.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NIAGARA RIVER BRIDGE

Mr. CHURCH:

1. Has the government received any correspondence from the government of Ontario, or any other persons in reference to the construction or reconstruction of new bridges across the Niagara river, or in reference to the observation bridge that was destroyed?

2. If so, will the government lay all the papers on the table of the house?

3. In future, will consideration be given to the idea of having all bridges across international streams like the Niagara or St. Lawrence in Ontario, erected, controlled and owned by the joint governments of Ontario and New York, under public ownership, so as to prevent a monopoly and excessive charges to the public, as set out in the debates of the house, in past years, on private bills for bridges across the St. Lawrence and Niagara rivers, and one at Sarnia?

4. Has any correspondence been received from the government of Ontario, or from others in reference to parts of the bridges which were destroyed floating down the river, and will the same be removed in view of their becoming a menace to navigation between Queenston and Niagara where large lake steamers navigate?

5. If so, will the correspondence be tabled?

CIVIL SERVICE COMMISSION

Mr. BOULANGER:

1. Under immediate, direct and exclusive control of the civil service commission and as an integral part of its organization, is there an independent body of examiners whose exclusive duties consist of determining merits of candidates to civil service positions?

2. If so, what are the names and salaries of the members of such independent body of examiners?

3. How long has the civil service commission been operating?

MOTIONS FOR PAPERS

RELIEF ADMINISTRATION—FEED, FODDER AND FOOD PURCHASES

Mr. PERLEY:

For a return showing,—

1. The quantities of cheese, beans, fish, fruit, vegetables, hay, fodder, feed and seed grains and other products, purchased directly or indirectly and shipped by the government into Saskatchewan, Alberta and Manitoba for relief purposes, between the first of July, 1937, and the present date.

2. The names, addresses, occupations or business of persons, firms and corporations from whom such goods were purchased, with the quantities and value of such purchases from each person, persons, firm or corporation, showing prices paid and the points of delivery to the government and points of distribution in the said provinces.

3. The total purchase price of such material.

4. The amount paid for freight on each class of goods.

5. The total cost of storage and handling at points of shipment.

6. The total cost of handling and storage at destination.

7. Cost of reshipment, including handling and freight from first destination in Saskatchewan to final destination.

8. Names, addresses and amounts paid to all persons engaged in: (a) dividing up and reparcelling each class of said goods; (b) distributing such goods; (c) warehousing.

9. Total amount paid for demurrage, and to whom.

10. The final points of shipment from which such goods were distributed.

11. The area described by municipalities or otherwise, within which such goods were distributed.

12. If such goods were distributed to those on relief only, or to the population in general.

13. The total cost of such shipment.

14. From what vote this money was paid.

15. The amount obtained by governor general's warrants for the purpose of providing for the costs of this distribution.

16. What amount of each class of such goods was produced in Saskatchewan in the year 1937.

17. What amount of each class of such goods was imported into Saskatchewan from other provinces of the dominion, and from outside Canada, in the year 1937.

18. The part the government played in the distribution of free goods contributed by persons, firms and corporations, to Saskatchewan, and the quantities of such goods handled or distributed by the government or any official thereof.

19. The points in Saskatchewan where final distribution of such contributed goods was made.

20. The instructions given officials of the dominion government in Saskatchewan with respect to the distribution of: (a) goods purchased and supplied by the dominion government; (b) goods supplied by voluntary contribution.

Mr. GARDINER: I notice that this motion came up when I was absent from the house a few days ago, and that the Prime Minister asked to have it stand until my return. I wish to say only that much of the information asked for would have to be secured from another government, namely the government of Saskatchewan. I could undertake to provide all the information for which my own department is responsible, and to obtain all other information that possibly can be secured, within the period of the session. If there is any carried over until after that time, I shall have to bring it down another year.

Mr. BENNETT: It covers only the government shipments.

Mr. GARDINER: It covers much more than that.

Mr. BENNETT: No—"shipped by the government into Saskatchewan, Alberta and Manitoba." That is the essential part of it.

Mr. GARDINER: But that information has to be secured from the other provinces.

Mr. BENNETT: No. This question covers direct purchases to which the minister referred the other night, made by the dominion government, and shipped to the province of Saskatchewan, payments for which will appear in the auditor general's report for next year.

Mr. GARDINER: If it does refer only to that, then it is much simpler to answer. But the wording is, "the quantities of cheese, beans, fish, fruit, vegetables, hay, fodder, feed and seed grains and other products purchased directly or indirectly"—

Mr. BENNETT: Yes.

Mr. GARDINER: —"and shipped by the government into Saskatchewan, Alberta and Manitoba for relief purposes, between the 1st of July, 1937 and the present date." If the term "indirectly" does not mean what was paid for by this government, but ordered by other governments, then it can be answered simply.

Mr. BENNETT: Quite.

Motion agreed to.

NATIONAL REVENUE—REFUNDS OF TAXES

Mr. MASSEY (for Mr. Betts):

For a return showing, all refunds, rebates or remissions, on account of direct or indirect taxation of any kind, made by the Department of National Revenue since November 1, 1935, and in each case the amount involved, the person to whom such amount was paid, and the agent acting on his behalf.

Mr. ILSLEY: Mr. Speaker, the other day I asked that the motion stand so that I could look into the matter more fully. I find that from time to time similar motions have been made in the house, and that the information has always been refused, on the ground that it was disclosing the business of individual concerns. I have before me the record of twenty-five motions involving the same principle as the present one, and the same answer has been given by the ministers of various governments.

But in this particular instance there is another reason why it would be undesirable to pass the motion, and that is the volume of work. I should like to say a word on that point. The volume of work, the great expense involved and the length of time required in compiling and tabulating the information requested, will be apparent when it is pointed out that the return would include approximately 80,000 individual payments of drawbacks and refunds annually, the vast majority of which were paid under statutory authority, the amounts and authority for payment being verified in each case by the auditor general's office.

For example, during the fiscal year 1936-37, 60,861 customs refund claims, 11,241 excise tax refund claims, 505 excise duty refund claims, 5,516 customs-excise drawback claims, and 520 refunds or remissions by order in council were dealt with, to say nothing of the many hundreds of refunds of deposits, etc., made direct by collectors at the ports, details of which could be obtained only by circularizing

the collectors from coast to coast. It would obviously take several months to search each claim and obtain from it and compile the special details requested, and, as this work could not be done without seriously disrupting regular work, additional assistance would have to be obtained. If such a return could be completed, the voluminous compilation would consist of more than 2,500 pages.

I would ask that the motion be dropped.

Mr. SPEAKER: Dropped.

Mr. BENNETT: I think it may be said to be answered, rather than dropped.

Mr. SPEAKER: Stand.

Mr. BENNETT: No, it is answered.

Mr. SPEAKER: Answered.

OLD AGE PENSIONS—DRUMMOND-ARTHABASKA

Mr. GIROUARD:

For a return showing the names, addresses, occupations of all persons residing in the electoral district of Drummond-Arthabaska who are receiving a pension under the Old Age Pension Act, and showing the amount of the pension received by each such person.

Mr. DUNNING: I must ask the hon. member to consent to allow this motion to be dropped, in view of what is involved in it. The lists of old age pensioners are the property of each province. Under the arrangements between the federal government and the government of each province, the province, in pursuance of its constitutional authority in that regard, first awards the pension, pays it and then submits to the federal government for audit purposes the necessary documentary proofs of having paid it in accordance with the agreement. I shall not labour the point as to whether we have the right to table in this house information which is the property of a province and which is submitted to us purely for audit purposes. Aside from that, I would point out that at the present time there are approximately 175,000 old age pensioners in Canada and if we were to accept a motion such as is now before the house it would involve the possibility, nay I might say the probability, of having to reproduce a list of 175,000 names, addresses and occupations, and thus make public for the first time the names of those who are in receipt of old age pensions. Until now that information has been regarded by the provinces and by the dominion as private and of a character which should not be made public in the manner suggested.

I would urge also the amount of work involved. It would be easier to meet my hon. friend's request if the information came to us by constituencies, but unfortunately it does not. The provincial lists are made up in numerical order by order of application, so that in order to extract the names requested by the hon. member for Drummond-Arthabaska (Mr. Girouard) it would be necessary to go through a list of some 45,000 old age pensioners in Quebec to obtain the addresses in order to find out what individuals lived in Drummond-Arthabaska. I am quite sure my hon. friend would not desire that this amount of work should be done in order to produce such a list.

Right Hon. R. B. BENNETT (Leader of the Opposition): Just to correct the Minister of Finance (Mr. Dunning), in Ontario, where the county councils paid a portion of the money, lists of those who received money in the county were available.

Mr. DUNNING: I am not sure that it is so to-day. Certainly not in Quebec.

Mr. BENNETT: I understand that they still pay ten per cent. You will remember the question came up at one time for consideration and it was contended that where anything involved the payment out of moneys, we were entitled to have the evidence of it here.

Mr. SPEAKER: Dropped.

BRITISH COLUMBIA FISHING INDUSTRY

PROPOSED REDUCTION OF JAPANESE FISHING LICENCES TO IMPLEMENT RECOMMENDATION OF COMMISSION OF 1922

Mr. THOMAS REID (New Westminster) moved:

Whereas a commission was appointed in 1922 to examine and report on all matters connected with the fishing industry of British Columbia;

And whereas amongst other findings they recommended that steps be taken to eliminate the Japanese fishermen so as to safeguard the fishing industry for white Canadian fishermen;

And whereas steps were taken in 1923 by the dominion government to implement this recommendation by the reduction of fishing licences issued annually to Japanese fishermen.

And whereas this curtailment of fishing licences to Japanese fishermen was only carried out until 1927 when no further steps were taken to safeguard the industry for white Canadian fishermen,

Therefore be it resolved,—that, in the opinion of this house, as the fishing industry in British Columbia is still to-day largely in the hands of Japanese fishermen, and particularly in the Fraser river area, all fishing licences issued to Japanese, or those of Japanese origin, be reduced by not less than 40 per cent during the present year and by 15 per cent in each year following, and continued until such time as the recommendation made by the royal commission is carried out and the fishing industry of British Columbia in the hands of white Canadian fishermen.

He said: Mr. Speaker, most of the remarks that might be made in connection with this resolution and with particular reference to the orientals in British Columbia were made the other evening by myself and other hon. members who spoke on the bill introduced by the hon. member for Comox-Alberni (Mr. Neill), hence it will not be necessary for me to cover again the same ground.

The purpose of the resolution is stated briefly in the last clause which reads:

Therefore be it resolved,—that, in the opinion of this house, as the fishing industry in British Columbia is still to-day largely in the hands of Japanese fishermen, and particularly in the Fraser river area, all fishing licences issued to Japanese, or those of Japanese origin, be reduced by not less than 40 per cent during the present year and by 15 per cent in each year following, and continued until such time as the recommendation made by the royal commission is carried out and the fishing industry of British Columbia in the hands of white Canadian fishermen.

This resolution does not suggest the adoption of a new policy. Back in 1919 the Department of Fisheries inaugurated a policy for the reduction of fishing licences to those of oriental origin. I should like to quote a statement by Mr. Found, the deputy minister of fisheries, made before the fisheries committee of 1926, and explaining this policy. He stated this policy very succinctly when he was asked to do so by the fisheries committee of 1926. He said:

Speaking subject to correction, the situation is easily understood. For a good many years the feeling on the Pacific coast as to those who are engaged in the industry was a growing one, in one direction; after the war it became quite concrete. In 1919 it was decided that the time had come when a definite policy looking to the time when only white British subjects and Indians engaged in the industry could be brought about.

The orientals entered the fishing industry of British Columbia during the war years and have remained there ever since. In 1920-21 a total of 4,143 fishing licences were issued to persons of oriental origin. Because of pressure brought to bear by the people of British Columbia it was felt that something had to be done about the matter, and the department attempted to do something, according to the statement of Mr. Found which I have just quoted. It was felt that it would not do to disrupt the industry by eliminating them all at one time; hence a policy of gradual elimination was adopted.

In 1922 parliament appointed a royal commission composed of members of this house who were instructed to go to the Pacific coast to investigate all matters connected with the fishing industry. One of the matters investigated when they were there on the coast was that of fishing licences issued to persons of oriental origin. So serious did they consider this matter that when they returned they reported, not a fifteen per cent reduction in any year but an initial reduction of forty per cent. That the commission had in mind the policy adopted in 1919 by the Department of Fisheries is evidenced by words uttered in the house by one of the members of that commission. Mr. Martell, the then member for Hants, is reported on page 1555 of Hansard of March 27, 1923, as follows:

I do not believe that I am giving away any secret of the commission when I say that the idea of the majority was not only a reduction of 40 per cent but that there should be such a 40 per cent reduction at the outset, and a sufficient reduction from year to year looking to the total exclusion of Asiatics from the British Columbia fisheries within a period of five years.

The suggested reduction of forty per cent was adopted by the Department of Fisheries. From year to year the department looked for guidance to the fisheries committee, but as the committee did not meet in 1924 no reduction was made that year. In 1925 a fifteen per cent reduction was put into effect. In 1926 the members of the fisheries committee again investigated this matter, because the department wanted guidance as to what percentage of reduction should be put into effect each year. I should like to read to the house the motion moved by the hon. member for Comox-Alberni before the committee in 1926. It reads:

That the committee confirm the policy adopted by the department some years ago looking to the restriction of salmon and cod fishing licences on the Pacific coast to white men and native Indians and recommend that the licences issued in 1927 to others than white men and native Indians be reduced by ten per cent of the number issued in 1926; and in each future year the number of such licences be reduced by ten per cent of the number issued in 1926, until these licences will be issued entirely to white men and native Indians within ten years.

The committee of 1926, sitting here in Ottawa, not only endorsed the department's policy of 1919 but recommended a ten per cent reduction in the number of fishing licences issued to orientals each year until such time as the industry would once again be in the hands of white Canadians. In 1927 a further reduction of ten per cent took place, but at that time the Japanese in British Columbia contested the right of the department to discriminate and refuse them licences, and they took the question to the courts. It went through the courts until finally it reached the privy council, the privy council deciding in favour of the Japanese. But I want the house to note the reasons given by

the privy council for deciding in favour of the Japanese. On looking into the question the privy council found that this parliament had not given to the Minister of Fisheries the right to discriminate. It was not that the privy council disputed at all the right of parliament so to do, but they found that parliament had not given that right to the Minister of Fisheries, and so he was prohibited until 1929 when the Fisheries Act was amended and that right given to the minister. I hold a copy of the act in my hand, and I shall read that particular clause:

> The minister may, in his absolute discretion wherever the exclusive right of fishing does not already exist by law, issue or authorize to be issued fishery leases and licences for fisheries and fishing wheresoever situate or carried on.

That, it was expected, would enable the department to carry out their policy and continue with the reduction of fishing licences issued to those of oriental origin. However, no further reductions were made in the number of fishing licences issued to orientals in 1929, but that by the way is rather a long story which I shall not take time to go into now. But I want the house to note this, that if the policy of the department had been carried out, as was intended, right through all those years, there would not be to-day one oriental in the fishing industry in British Columbia, and consequently we would not now be facing this trouble.

The house might be interested in a few statistics dealing with licences before I proceed to some of the salient points I have to place before it. In 1927 the total number of fishing licences issued in British Columbia to those of oriental origin was 1,990. In 1937, although the policy of reduction had then been in effect for many years, there were issued 2,608 licences, or 618 more than were issued ten years earlier, in 1927.

I realize, Mr. Speaker, some may argue that the Japanese are in this country, that many of them were born here, and it may be asked, What are you going to do with them? At this point let me say that this licensing question is a more serious problem than the closing of our gates to the Japanese. I am in favour of closing our gates to the Japanese, but the most serious problem arising out of the question I am discussing is, What are we going to do with the orientals who are already in Canada? If I have time I shall develop that a little later. It was contended during many years, and still is by some people, that if the Japanese are forced out of the fishing industry they will go into farming and other industries. That is an old argument. When it was used a number of years ago, it was thought that if the Japanese were forced out of fishing they would go into farming, and that that industry would become overcrowded; but although we have continued to issue fishing licences to Japanese to the numbers I have mentioned, that has not prevented them from going into farming and many other industries. It is well known to the Fraser Valley, for example, that the Japanese control many lines of agriculture there, and that they are invading timbering and other industries as well.

I want particularly, however, to deal with the Fraser river district, which I have the honour to represent in this house. First of all let me explain that on the Fraser river all commercial fishing is done by means of the gill net, unlike other fishing on the open waters of the Pacific, which is done by trawling or by seines. But on the Fraser river, as I say, commercial fishing is done almost entirely by gill net.

In 1922 the department issued a total of 870 gill net fishing licences to those of oriental origin, and in the same year only 390 to white Canadians. When the reduction of forty per cent was put into effect in 1923, that number of 870 was reduced to 522 licences to Japanese fishermen, and the fifteen per cent reduction in 1925 brought the number down to 470. The ten per cent reduction in 1927, the last year of the reductions, reduced the number of gill net licences issued to orientals to 425, and since that time the Department of Fisheries has endeavoured to keep the number running between 410 and 450. But the number of 425, of gill net licences issued, does not by any means begin to paint a true picture of what is actually taking place on the Fraser river to-day. Let me at this point explain, because I am now going to deal with another form of licence that is issued, namely, "assistant gill net" fishing licence. Licences to assistants were issued years ago when fishing was done by rowboat and sailboat because it was very difficult then for one man to set the net and handle the oars or the sail at the same time; but since then the gas boat has superseded the rowboat and sailboat, gill net fishing has been carried on by means of the gas boat, operated generally by one man. It can be successfully carried on by one man operating a gas boat. The Japanese, however, and others of oriental origin, were very soon able to see what could be done by the added use of assistant gill net licences, and so year by year they have been obtaining not only gill net licences, but assistant gill net licences as well. Last year they obtained not only 425 gill net licences, but in addition 376 assistant gill net licences, making a total of 801 licences issued to them.

The question may be asked, Why does the white fisherman not take out an assistant gill net licence and compete with these orientals? There are many reasons why he does not. First of all, the white man can operate the boat himself; and so could the Jap if he wanted to. Second, with the meagre returns he receives—the white man, with his standard of living, cannot afford to compete with the Japanese if he has to split any returns in two and pay an assistant. For the information of the house I might point out that most of the Japanese fishermen at the mouth of the Fraser river are living in shacks at a place called Steveston, and if any members were to pass along there they would wonder whether they were in Canada or Japan. When we come to the point of asking our Canadian fishermen to get down to the standard of living exhibited around these shacks on the waterfront at Steveston, it will be a very sorry day indeed for our people. Our white Canadian fishermen mostly own their own homes and have taxes to pay, etc. There is also this, that with only one man in the boat, the white fisherman cannot operate twenty-four hours a day, like the Japanese who, with two men on each boat, are operating their boats night and day. The fishery guardian comes along and sees a Jap aboard his boat. The Japanese all look alike to him. He is not sure whether that man has a gill net licence or only an assistant licence, and you would need a hundred official guardians to check this up; but a white man could be spotted if he tried any of these tricks and he would be punished very soon.

In 1923 the total of all types of fishing licences issued in British Columbia was 2,486. That was the year when the forty per cent reduction was put into effect. In 1937 there was a total of 2,608. Instead of a policy of reduction being carried out, these licences have increased by 122 during the past few years. On the Fraser in 1923 there were 522 gill-net fishing licences issued to Japanese, whereas in 1937 they have, with the assistants' licences, a total of 841. This number includes a few other types of licences but a total of 319 more licences were issued in the year 1937 than were issued in 1923, or an increase of exactly seventy per cent. So that if the resolution before the house were adopted and carried out, it would still leave them 505 fishing licences in the Fraser river area as against 522 in 1923; and, if the reduction were extended to every kind of fishing licence in the province, the total would be 1,304 as against 1,990 ten years ago. Surely no great cry of "injustice" could arise, because, as has been already pointed out, had the policy of reduction been carried into effect there would now be none of these people in the fishing industry in British Columbia, whereas last year their total numbers were 2,608. The assistant gill-net fishing licences have been of tremendous value to those of oriental origin, and they have taken advantage of these licences to increase their returns; not only that, but their boats are so numerous and in such constant use around the mouth of the Fraser river that it is a miracle that any salmon or other fish ever pass the great numbers of nets in operation there.

This resolution has not been introduced in any spirit of hatred or animosity. The same cannot be said of the Japanese attitude, since, because I took a strong part in opposing giving them the vote, last year they announced through their newspapers in Japan that I was number one bad man in Canada against them. The fact that they did this has no bearing on the resolution now before the house; I want to make that plain. My concern is for our own people, and I offer an apology to no one for putting up a fight on behalf of the white Canadian.

I shall now proceed to describe very briefly the Fraser river, so that the situation there will be more clearly understood. There are two areas in the Fraser, one above the New Westminster bridge, the other below it. The licences issued to those above the bridge are given principally only to persons who own property. Generally speaking, about 186 licences are issued to those above the bridge and 1,250 to those below. Hence it is with the lower reaches of the Fraser, the mouth of the river that I am particularly concerned, for it is there that I see grave danger to our fishing industry as a whole. These people are all at the mouth of the river; they are operating their boats from the town of Steveston to the mouth, and the house will realize just how serious this matter is when I point out that to-day it is almost as much as a white Canadian's life is worth to attempt to fish in the area between Steveston and the mouth of the river. Let me cite one incident which occurred last year when a white Canadian endeavoured to do so. Those of Japanese origin jumped on his boat, put his engine out of commission, cut his net, and assaulted him greviously. Are we in this country going to stand for that kind of thing?

Mr. BENNETT: Were they punished?

Mr. REID: No, unfortunately they were not.

Mr. BENNETT: Why?

Mr. REID: They should have been, but the difficulty was that they all look more or less alike and it proved impossible to identify

them. Moreover, there are so many hide-outs in that neighbourhood that it is almost impossible to find one of these men when he is fleeing from justice.

As I have said, this is not an international question. But when we attempt to fish in one of our own Canadian rivers and must do so in peril of our lives because persons of another nationality have appropriated it to themselves and say that none but their own nationality shall fish there, it is high time that something was done about it. That is my chief reason for bringing this matter before the house at this time. Those of Japanese origin have themselves to blame if there is any ill feeling against them in British Columbia. They have not shown by their methods that they are truly Canadians; my own view is that they are truly Japanese first, hence my great opposition to allowing them the franchise. It is strange, if they really are British subjects as they claim to be, that when they get into trouble they do not make any appeal for help to Canadian governments, provincial or federal. Oh, no; their application or appeal is made immediately to Japan, as was evidenced a few years ago when trouble arose at Rivers Inlet between Japanese and white fishermen. The Japanese threatened then to make it an international question, and appealed, not to the dominion or provincial government, but to their own Japanese government. As a matter of fact, according to my information, Japan to-day counts these fishermen in her numbers. It is not generally known that Japan has close to one and a half million men engaged in the fishing industry, and that she counts in that number fishermen operating in British Columbia and other territories outside the Japanese empire. It is my personal belief that this is in conformity with a studied policy, because the Japanese, as is well known, have fished out their own waters and are appropriating where they can, waters and areas belonging to others.

I now draw to the attention of the house, because I think it very serious and pertinent to my resolution, the number of captains' licences issued on the Pacific coast to those of oriental origin. Last year these people obtained 110 seine boat captains' licences as against seventy granted to white Canadians. As regards masters' certificates, sixty-one were issued to them out of a total of 191. I commend the Minister of Transport (Mr. Howe) for writing across the certificates issued to those of oriental origin that their boats were to be used only for the conveyance of fish; but when the shipping act was changed there was an immediate rush of those of Japanese origin to obtain these masters' certificates as captains of boats. My view is that this also is in accordance with a studied policy. It is also well known that many of these men are ex-naval men; and, as was pointed out the other evening by the leader of the opposition (Mr. Bennett), one has only to see the great numbers of boats used by them on the Pacific coast to realize how serious the whole matter really is, and that it may become more serious in the very near future.

May I now briefly sum up the chief reasons for bringing this resolution before the house at this time and for desiring to see a reduction in the number of fishing licences issued to those of oriental origin. In the first place, these people absolutely control the cod industry of British Columbia. No wholesaler or retail merchant in that province can buy codfish to-day except through the Japanese, and if they say, "No," that is all there is about it. The merchants simply cannot procure codfish if the Japanese refuse. If I had time to go into the figures with regard to the codfish industry I could discuss a few other matters, but there are other things which I wish to take up now. In the second place, the Japanese control ninety per cent of the export of salt fish from British Columbia, and I would point out that a very serious international question might have been raised when Japan first went into Manchukuo, because the Chinese were so incensed at Japanese activities that they refused to buy salt fish exported from British Columbia because it was put up and shipped by the Japanese. We lost our trade in salt fish during those years owing to that fact, and when a Chinaman starts out to boycott he really does boycott; for he certainly has no love for the Japanese. In the third place, the Japanese are now in a position to dictate and actually do dictate to many of the canners, telling them what quantity of fish they will get each morning. A canner may be all set with his crew of men to can ten or fifteen or twenty thousand fish for the day; but the Japanese boss comes along and says, "I am sorry but we are going to let you have only so much fish."

This is Canada, Mr. Speaker; this is not the orient; and yet in the Fraser river we find a man who is in charge of the Japanese association going around and telling the canners the quantity of fish they will get each day. But most serious of all, of course, is the control of the mouth of the Fraser river by the Japanese or those of Japanese origin, and when there is any trouble they appeal immediately, not to Canada, but to Japan. When there is any case of assault in this country are we going to be obliged to appeal to Japan and say, "Would you mind telling your na-

tionals in Canada to leave our nationals alone when they are in our own Canadian waters?" Is that to be the situation here? Surely not. It is bad enough now, and something more will have to be done about it than has been done. During the past few years, as I have pointed out, the Japanese in British Columbia are themselves making it most difficult for us to believe that they are truly Canadian. I wonder what would happen to Canadians if they were in Japan and attempted to do what is actually being done by Japanese in British Columbia. After listening to the remarks made the other evening, particularly by the leader of the opposition and the Prime Minister (Mr. Mackenzie King), one cannot but realize the gravity of the international situation to-day, and how careful one must be in any remarks to see that they may not be interpreted as an insult to any one nation. I have tried, therefore, in what I have said to follow that advice. In fact, I could have said a great deal more than I have. For the information of hon. members, I may say that since coming to Ottawa and since my resolution has appeared on the order paper I have conferred with the Minister of Fisheries (Mr. Michaud) and his officials in connection with this trouble, and I understand that the entire situation will be investigated and the conditions which I have just outlined looked into seriously, and I believe that there is power in the Fisheries Act to enable the minister to do something.

With the assurance that something is going to be done or that the matter is going to be seriously looked into, it will not be necessary for me at this time to press the motion to a vote of the house. However, in closing, I urge upon the government and all hon. members the gravity of the fishery situation in British Columbia, and I trust that some action will be taken along the lines suggested in the resolution. If nothing is done now, the matter may well get out of hand, and that before very long.

On motion of Mr. Pottier the debate was adjourned.

RULES OF THE HOUSE

PROPOSAL FOR APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER REVISION

Mr. R. W. GLADSTONE (Wellington South) moved:

That a special committee be appointed to consider with Mr. Speaker the advisability of revising the rules of the house.

He said: I would wish at the outset of my brief remarks to make clear that whatever I may have to say of criticism is a criticism of methods and procedure in this house and is not a reflection on the present or the previous government; it is rather a criticism of government practice, and of goverments as they come and go.

There is widespread criticism of the cost of government, but so far as the sessions of parliament are concerned the electors do not complain so much about the cost of sessions as they do of the machinery of government operating wastefully throughout the years. For those outside the house who may not know, let me say that all speeches in parliament are taken down in shorthand and printed in two languages every day in a volume known as Hansard. It has come to be considered that to some extent a member's representation of his riding is measured by the amount of printed space recorded to his credit in Hansard; and so, to show his electors that he is here, it sometimes becomes necessary for a member to speak when the business of the country would be facilitated by his remaining silent. As a matter of fact many members choose to speak but little, and to work in committee and in many ways behind the scenes.

There is a similar recording of speeches at Washington in the Congressional Record. There they have the practice also of inserting in the Congressional Record speeches not actually delivered on the floor. This is done within limitations to afford members of congress an opportunity of expressing their attitude on public questions without unnecessarily taking up the time of the house.

During recent weeks I have been endeavouring to analyse our procedure in this House of Commons with a view to seeing whether some changes in the rules might not make us more businesslike in our routine methods. I have been searching to see if somehow it might be possible to get away from frustrations, to come to grips in this house with problems, barely touched, that affect the life and prosperity and happiness of the people of Canada. My research work in the first two sessions prompted me to speak last session on "estimates and cost of government." I congratulate the Minister of Finance (Mr. Dunning) on the more understandable form in which the estimates are presented this year. I appreciate his generosity in saying that I might take some of the credit. There is much to be done yet before we shall have a clear picture of the need for and total cost of many expenditures. I defy the minister or any hon. member on behalf of any former minister of finance to work out from the records ordinarily available to parliament a profit and loss statement for the Rideau canal or similarly to give us the

cost of Hansard. The committee I am to-day suggesting ought to follow through on this matter of consideration of estimates. Efforts should be made to effect economies in building and construction projects.

The sessions of committee of supply are most tedious. One wonders whether a better way of checking expenditures cannot be devised. The resolution I have proposed asks for a special committee to consider with Mr. Speaker the advisability of revising the rules of the house. Since the rules were first drafted, on December 20, 1867, they have been amended on two occasions, namely July 10, 1906, and March 22, 1927. There is a widespread feeling to-day amongst the members that the time is overdue for another revision. Members are irked by the restraining handicaps in the conduct of public business as compared to modern methods followed in competitive private business. For instance during recent years the method of handling groceries has undergone a tremendous change, affecting corner stores as well as larger centrally located stores. It surely is reasonable for parliament to ask that an opportunity be given to study methods of making its procedure more businesslike and more efficient. It is not my intention to go extensively into details or to make definite recommendations; I am asking only that the study be made. The need is generally admitted. Most hon. members could give several reasons; I shall enumerate only a few.

One is that the acoustics of the chamber render it difficult for hon. members from their assigned places to hear the debates. I am not suggesting a shuffle of sittings, but to show that this problem is relevant let me quote from the rules of the British House of Commons:

81. No member's name shall be affixed to any seat in the house for the hour of prayers; and Mr. Speaker shall give directions to the doorkeepers accordingly.

82. Any member having secured a seat at prayers shall be entitled to retain the same until the rising of the house.

And from the legislative assembly in Victoria, Australia:

27. A member may be permitted to secure a place in the assembly chamber by leaving a book, hat or glove upon it, before motions are called.

I may say in passing that there are 615 members in the British parliament and seating for 450. Here we have 245 members and seating for 297. I think some consideration should be given to the oft-repeated requests of hon. members for the improvement of the acoustics of this chamber.

Some hon. MEMBERS: Hear, hear.

Mr. GLADSTONE: Second, the length of speeches is a matter that some wish to have considered with a view to curtailment. Earlier in my remarks I referred to the mistaken belief on the part of some electors that their member is not doing effective work here unless occasionally he can send out copies of Hansard containing a speech he has made. Such speeches must have length in order to be impressive. The time limit in any debate for private members is forty minutes. In the British parliament I believe there is no time limit, neither is there a compulsory attendance rule, and many members of the British parliament seldom attend unless on an urgent call for an important vote, such as want of confidence. The permissible time length of speeches varies throughout other parts of the empire and in the United States from no limit to five minutes on specified matters.

Standing orders of the parliament of the Commonwealth of Australia indicate that Australia has adopted a graduated scale governing length of speeches. I shall read Australian rule No. 257A, adopted July 17, 1912, and amendment 257B adopted April 23, 1931, as recorded on pages 70, 71 and 72 of their standing orders:

257A. No member shall speak for more than one hour and five minutes at a time in any debate in the house, except in the debate on the address in reply, or in a debate on a motion of "no confidence," or in moving the second reading of a bill, or on the debate on the appropriation bill or on the financial statement in committee when a member shall be at liberty to speak for one hour and thirty-five minutes. In committee of the house no member shall speak for more than thirty minutes at any one time, or more than twice on any one question before the committee: Provided that this rule shall not apply in committee to a member in charge of a bill, or to a minister when delivering the financial statement, or to any member during the proceedings in the committee on the tariff, or, in regard to the number of his speeches, to a minister in charge of a class of estimates in committee of supply.

257B. Notwithstanding anything contained in these standing orders—

(a) the maximum period for which a member may speak on any subject indicated in this standing order, and the maximum period for any debate, shall not, unless otherwise ordered, exceed the period specified opposite to that subject in the following schedule:

Subject	Time
IN THE HOUSE:	
Address in reply—	
Each member..	35 minutes
Motion for adjournment to discuss a definite matter of urgent public importance (under standing order No. 38)—	
Mover..	20 minutes
Minister first speaking..	20 minutes
Any other member..	10 minutes

Subject	Time
IN THE HOUSES—*Concluded*	
Motion for adjournment of house to close the business of the day—	
Each member	15 minutes
Want of confidence motion—	
Mover	60 minutes
Minister first speaking	60 minutes
Any other member	35 minutes
Limitation of debate—motion for allotment of time (under standing order No. 262A)—	
Whole debate	30 minutes
Each member	5 minutes
Second reading of a bill—	
Mover	60 minutes
Leader of opposition or member deputed by him speaking first to such motion	60 minutes
Any other member	45 minutes
Debates not otherwise provided for—	
Mover of a motion	45 minutes
Any other member	35 minutes
IN COMMITTEE:	
Member in charge of a bill	(periods not specified)
Limitation of debate—motion for allotment of time (under standing order No. 262A)—	
Whole debate	30 minutes
Each member	5 minutes
Financial statement or tariff—	
General debate—	
Minister in charge	(periods not specified)
Leader of opposition or member deputed by him speaking first	60 minutes
Any other member	45 minutes
Each question before the chair on the estimates or on a tariff—	
Minister in charge	(periods not specified)
Each member other than a minister in charge—two periods each not exceeding	30 minutes
Debates not otherwise provided for—	
Each member — two periods each not exceeding	15 minutes
IN THE HOUSE OR IN COMMITTEE:	
Extension of time—with the consent of a majority of the house or of the committee, to be determined without debate, a member may be allowed to continue his speech for periods each not exceeding	15 minutes

(b) a debate on a motion under standing order No. 38, to discuss a definite matter of urgent public importance may be continued for a period of two hours.

Third: Another matter to be kept in mind is the health of the members, particularly ministers, leaders, and others who must carry a very heavy load of responsibility throughout the session. Suggestions have been made to limit speeches to thirty minutes or to twenty minutes, to abolish debate on the address in reply to the speech of His Excellency the Governor General, to abolish Hansard when the house is in committee of the whole, to adjourn at 10 p.m. instead of 11 p.m., to sit only in the afternoon, and so on. Ministers and many hon. members are in their offices and the house fourteen hours daily for five days in the week, with the exception of Wednesday, when the house adjourns at 6 p.m. instead of 11 p.m. If that is carried on for four or five months, with a few breaks for social affairs or recreation, efficiency must be undermined.

Fourth: This point has to do with the rights of private members. Here let me repeat my earlier assurance that my comments are intended to apply to parliamentary practice based on present rules, as last revised on March 22, 1927, and which have since governed all parliaments. It cannot be denied that private members weary under the restraints and frustrations imposed by the rules. It is not surprising that we sometimes wonder just where we stand with respect to responsible government and parliamentary control. Looking over any years where there may have been autocracy in cabinets, we may be fearsome at times of a swing of the pendulum, even in Canada, from "government of the people, by the people, for the people" towards dictatorship in the interests of the preservation of class privileges against mass welfare.

To come back more definitely to the rights of private members under existing rules, may I point out that during the first four weeks of parliament private members are allotted about eighteen hours weekly. Following that they are allotted about ten hours weekly, until later in the session when private members must practically stand aside for government legislation. It should be noted also that in the present session there could be no discussion of private motions during the first two weeks, because during that period the debate on the address in reply to the governor general's speech held precedence. The net result to date, after four weeks of the session, is that the motions of six private members have been reached; nineteen are still on the list, and more to be added. Where motions are far down the list it is almost certain that the sponsors will achieve nothing this session. It may be observed, too, that frequently, when a resolution is in line to be voted upon, the privilege of the forty minute speech is resorted to by one or several members to block a conclusion, so that the measure may die or go to the foot of the list, and beyond hope of

resurrection. At least it can be said there is something here to justify study by a committee.

It will not be my purpose here to prescribe a remedy. However, as something to think about, let me suggest that resolutions not yet reached might very well be extended the courtesy of a recorded presentation of argument in Hansard, as is provided at Washington in the Congressional Record. Provision should be made for recorded support or rebuttal in the same Hansard by a minister and the leaders of opposition groups, or their delegates. Doubtless this privilege could be employed considerably to much resultant good in recording views and facts bearing on situations across the country.

Fifth: Failure to provide something of this nature presumes that the cabinet has said the last word, and that government measures meet fully the legislative needs of the year. There is no provision for systematic contacts throughout the year, whereby private members may advance proposals and have them reviewed and organized for reference to the cabinet. With our cabinet, small in numbers, there may be place for some form of advisory council of members, who will be an inquisitive, organizing body, going into matters which otherwise might be untouched. I am certain it is not the intention of our cabinet to be a finality in the origination of measures, although at times some of us who are impatient may be inclined to be critical.

Of course there must be cabinet responsibility and control in harmonizing views to policy. Nevertheless, when the volume of government business cuts off the opportunity of offering suggestions with explanations, or discourages the private members in so doing, the ministers are but closing the door through which something worth while occasionally may emerge. In much chaff there usually is a little wheat.

I am asking that a committee of the house be set up so that a study may be made looking to amendments in the rules or improvements of our methods and procedure in parliament. Doubtless every hon. member in the house has in mind one or more changes which if adopted tend towards betterment of conditions.

I submit that, without taking time to mention others, I have given sufficient reasons to justify a committee. In fact, any prolonged discussion, even though favourable to the motion, may bring about its defeat through application of existing rules. May I point out, however, that it being Wednesday, a member rising to speak at six o'clock may, by asking Mr. Speaker to call it six o'clock, assure the continuance of the debate on Monday.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, I am quite in accord with the motion to have a committee of the house appointed to consider the rules. As has been pointed out by the previous speaker (Mr. Gladstone) there was a revision of the rules eleven years ago. At that time it was thought by hon. members who were in favour of the appointment of such a committee that by the creation of a committee to consider the rules of procedure in this chamber the work of the house might be shortened. One step that they took at that time to bring about this objective was the introduction of what is commonly known as the forty minute rule. That rule has been in effect for the past eleven years, but it has in no way shortened the length of the sessions. It requires more than a change in our rules of procedure to shorten the length of a session. Personally I am not concerned whether a session is a few weeks longer or a few weeks shorter; my concern is that the business of the house should be done in an efficient and businesslike manner. If our present rules do not permit this, I am in favour of having them revised so that hon. members may have an opportunity of transacting the business of the house as it should be done.

One suggestion I would make is that more work be given to the committees. There is a long list of committees, I do not know how many. Some of them do not sit at all during a session, while others may sit only once or twice. I am sure there are many hon. members outside of the cabinet who have had many years of public service and who could give valuable assistance to the committees. At present most of our work is done in this chamber, and having as many members as we do, it is sometimes impossible for all of us to give the result of our experience by way of an address before the house. The hon. member referred to what is done in the congress of the United States. I think we will find that much of the work of congress is done in committees.

Mr. BENNETT: They meet at twelve o'clock.

Mr. HEAPS: The fact is that much of the important work of congress is done by the committees. The foreign policy of the United States is debated before a committee and many important measures originate in or are sent to committees for consideration.

Mr. BENNETT: Did the hon. member ever look at the Congressional Record and see the number of speeches that are extended therein without being delivered?

Mr. HEAPS: Since that has been brought up, I may say that I am opposed entirely to any record being made of the speeches that are not delivered in the house.

Mr. BENNETT: The whole of Henry George's book was put on the Record.

Mr. HEAPS: I do not think anything should go on the record of this or the other chamber unless it has been delivered on the floor where members can hear and discuss it.

The mover of this resolution has suggested that speeches could be printed as part of the record and then the reply of the government or of the leader of the opposition or the leader of any other party could be made and appear on the record. If that were done it seems to me that we would be carrying on a sort of correspondence through sub-agencies which is no part of parliamentary procedure. The hon. member has suggested a reduction in Hansard and then he states that he is in favour of extending Hansard to the extent to which he has referred.

If more work were given to our committees it should not be necessary for us to sit in this chamber the long hours we do at present. We legislate for shorter working days for labour and yet we sit here ourselves until eleven o'clock at night. I suggested to the Prime Minister (Mr. Mackenzie King) last year that perhaps we might follow the procedure of the British House of Commons and start our sessions at a certain time and sit right through without any adjournment for dinner. That is what is done in Great Britain, and sometimes they sit until eleven o'clock at night. I understand they open at four o'clock.

Mr. MACKENZIE (Vancouver): They open at a quarter to three.

Mr. HEAPS: The first part of the session is utilized for the answering of questions, so the actual session does not commence until four o'clock.

Mr. BENNETT: Congress sits right through.

Mr. HEAPS: We do not have the work to do that the British house and the United States congress have. We have our provincial legislatures while in Great Britain all legislation is centred in the hands of parliament. Our provincial legislatures have tremendous powers and vested interests, and personally I do not see why it is necessary that the House of Commons should have to sit from three o'clock until eleven o'clock at night, with a two hour adjournment. Last year I suggested that we should sit from two o'clock until seven and thus do away with the evening session. Even a five-hour day might be considered long enough for this house to sit. I suggest that for four days in the week we sit from two o'clock until seven, and on Fridays from two o'clock until six. Many hon. members leave Ottawa on Friday evening and perhaps it would be better if the house adjourned at six o'clock.

That would make a twenty-four hour week. At the present time we sit twenty-seven hours a week, but I am satisfied the house would accomplish more in the shorter week.

Another objection I have to our present method of conducting business is the fact that in the second half of the session there are so many committees sitting and so many members have to devote their time to committee work that it is often difficult to get a large attendance in this chamber.

Mr. LAPOINTE (Quebec East): My hon. friend has just complained that there are too many committees.

Mr. HEAPS: I am not complaining that there are too many committees. I pointed out that we had a large number of committees appointed, but I did not make any complaint. I stated that many of the committees were not doing anything.

Mr. LAPOINTE (Quebec East): And they are doing too much later on.

Mr. HEAPS: I am not even saying that. I have not come to the point I wished to make. I wanted to point out that these committees sit quite often when the house is in session and I submit that no member should be asked to sit in committee when the house is in session. If the house did not meet in the mornings and evenings then the committees could sit at either time and make it unnecessary to hold sessions when the house is in session.

I believe some of our estimates could be sent to a committee rather than having them all considered here. There are many hon. members who have given close attention to public matters and many of these things could be threshed out in committee. When the estimates were returned to the house I am sure they would pass in half the time that it takes to pass them at present. By giving more work to the committees we could shorten the hours that this chamber has to sit. If this matter was considered by a committee and full consideration given to all the points that have been raised, I am sure some good would result and a more efficient method arrived at of doing the business of this country.

I am in accord with the motion, and I hope that the Minister of Justice (Mr. Lapointe), when he comes to giving the government's viewpoint, will also be in favour of appointing such a committee. I remember that when, eleven years ago, we adopted the eleven o'clock closing rule there was a good deal of objection. The government thought they would not be able to get through the business of the house if we adjourned each night at eleven o'clock; but we have got through with the business just the same, and I am sure that with shorter hours and more work placed on the committees we shall get through the business exactly as we have done in past years.

Mr. PAUL MARTIN (Essex East): Mr. Speaker, I suppose that a younger member should think twice before he expresses himself in regard to rules which have been long established for the government of the house; but I feel that the occasion is opportune for private members to express their views, not only in regard to the rules, but more particularly in regard to the utilization of their own services in this chamber.

I think the member for Wellington South (Mr. Gladstone) is open to congratulations upon bringing this resolution forward. I have known him for some time now, and I know that his interest not only in national questions generally, but in the machinery of the house is such as to give him a deserving place in this chamber's membership. He spoke of some of the characteristics of the United Kingdom parliament, and mentioned that the members there sat on long benches, with no desks in front of them. I am not so sure that he advocated our adopting that practice, but I think it is as well to note that there is keen controversy not only in the United Kingdom but in many of the parliaments of Europe as to the method of the seating arrangement employed in Great Britain. I have sat on similar long benches, not in the British parliament but in debating societies and at Hart House, with the Minister of Justice (Mr. Lapointe) in Toronto, and while those bodies in no wise aid us in considering this general problem, I think we may conclude that the British method, while it has advantages, has also certain great disadvantages.

One thing that favourably characterizes debate in the British House of Commons is, I think, this, that while there is no time limit on any private member, indeed on any member of the house, whether he sits on the ministerial benches or under the gangway, tradition precludes a member from speaking too long. A private member of the British house speaking for more than fifteen minutes generally meets with instant disapproval from not only his political enemies but his friends too.

My main reason in rising to-day, Mr. Speaker, is that I feel as a private member if the machinery of the house were otherwise, it might be possible for the members of this House of Commons to do better work and assist with greater ability and thoroughness in the consideration of legislation.

I am afraid that the relations between the executive, on the one hand, and private members, on the other, are not exactly what they might be. I know the difficulties of ministers who are overworked, who have to sit in the house as well as attend to their administrative duties. I should like to give an experience I had a year ago when I was in Europe and visited the Hungarian parliament. An old friend of mine in that country has the post of Director of Parliamentary Activity. His job is to see that the members of the government party and the ministers are kept in constant contact. Each minister in the Hungarian parliament is assigned five members whose duty it is to interest themselves in the problems of his department, with the result that when the minister has specific problems to consider, problems which are probably more a matter of routine than anything else, problems with which he cannot very well deal because of pressure of time, he calls in these men who have seats in the house and assigns them various tasks. That has been the practice there since 1920, and I am told, although I have not had an opportunity of examining it personally beyond observing it in this casual way, that on the whole it works very well.

While on this point, and speaking as a member of this chamber, I believe that the relationships between private members and the permanent civil service of this country are wholly inadequate. Of course, a member has an opportunity of going to any civil servant or to the heads of departments and getting information, and I have always found them very obliging; but unless there is some rule, some tradition, we shall continue to have this gap between the members and the civil service. No one who has sat in the house listening to the discussion of the estimates as I have done since I have been a member can help feeling that even with our inadequate method a great deal of information can be obtained by members listening to the questions put and the answers given by ministers, but certainly the method could

be improved upon by a closer relationship between the members of the house and the permanent civil service.

Now, how to bring that about? I suggest, Mr. Speaker, that no member of the house, on the government side or on the opposition benches, will deny the inadequacy, insufficiency and incompleteness of the present system of presenting estimates. We listened yesterday afternoon to the Minister of Mines and Resources (Mr. Crerar), and I think the discussion of his estimates was of practical benefit. We were discussing a problem arising out of the vote for the dominion observatory. Without being unfair to anyone who took part in that debate, I believe I may say there were questions put by members obviously——I was going to say with good political motives in mind, but I do not mean that exactly—but members apparently wanted to know more about the particular vote in question than the item itself revealed. How much better it would be if there was a committee of this house, as has already been suggested, whose job it would be to scrutinize the estimates, call in civil servants and examine them face to face, with the idea not of criticizing them but of finding out the nature of their job and trying to see if we cannot improve upon it, and more effectively deal with the problem. I feel with the hon. member for Wellington South that if parliament is to continue as an institution we must realize where it is inefficient, and I believe that no part of the work of the house is done more inefficiently than in our dealing with the estimates.

I have felt the same as the hon. member for Winnipeg North (Mr. Heaps) in respect to the committees of the house. They are not overworked. I belong, as most members do, to two committees, and I can speak only of those two. There is, first of all, the committee on international and industrial relations. In my judgment that committee could do a great work on problems such as unemployment; it might perhaps deal with the proposed unemployment insurance scheme and other problems of that kind, which require for their full consideration, the committee manner of attention. If the committees of the house were utilized in this way, many of us would not be listening day after day in the house to speeches, many of them no doubt worth while and reflecting public opinion in many parts of Canada, but perhaps not really relative to the immediate job. I feel that unless something is done in that respect, parliament will become more and more the target of criticism from those groups that would do away with it.

[Mr. Martin.]

One final thought: I mentioned it last year and I do so again, although with some timidity, because I am not as close to the problem as are the Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Bennett), who have had the conduct of the external affairs of this country. Having in mind the intensity of the present international situation and the absence of a proper direction or a unified policy so far as public opinion in Canada is concerned, there is much to be said for the need, not of dogmatizing in international affairs but of disseminating information. After having made the observations in this connection that I made last year, I went to watch the foreign relations committee of the senate of the United States in operation. Any hon. member who has that opportunity will, I think, profit greatly by it. What happens? That committee has the power of calling officials of the state department, putting to them questions in respect of foreign affairs generally, and eliciting information which it might be politically inadvisable or otherwise impossible to divulge in the larger chamber. Not only has it the right to call officials, but it can summon the secretary of state, who, incidentally, is the only cabinet officer who can be summoned by a committee of the senate or of the house of representatives. Of course, from its very nature in so far as its prosecution is concerned, foreign affairs is a matter not for parliament but for executive action. Parliament nevertheless has some responsibility and certainly should have some interest in the matter. I recollect that one day, when Mr. Cordell Hull was before the committee, he refused three or four times on grounds of policy to answer questions put to him by various members. The committee understood that in the nature of things the full policy of the government in respect to foreign affairs could not be disclosed. But there is an important fringe of foreign policy which could be made known to parliament not only for the sake of parliament but for the guidance of public opinion generally.

I have spoken primarily because I share the opinion of many members, including many on this side of the house, that our machinery might be brought up to date and made efficient to the extent of using in greater measure the abilities of the rank and file of this chamber. I should like to think that something will result from the timely motion of the hon. member who proposed it.

Mr. A. W. NEILL (Comox-Alberni): I agree with the hon. member (Mr. Gladstone) who introduced this resolution on one point

at least, and that is in his protest against the acoustics of this chamber. I might say I did not clearly or fully hear what he said. I might point out to him and to the house generally, especially to the newer members, that if they would reconcile themselves to the carrying out of the purpose to which these curtains are intended to be put it would enormously increase the acoustics of this chamber. They were put up for that express reason, and if they are kept closed it makes a tremendous difference. When the heat of summer comes, and they are drawn back, the difference is very marked; if they are kept closed it will very greatly improve the acoustics—and I understand that that is about the only thing that can be done.

I was not clear whether the hon. member was quoting someone else or was speaking for himself when he suggested or the suggestion was made that we should do away with the record of Hansard in whole or in part; I think the reference was, in committee of the whole, but the principle is the same. Speaking from a very considerable experience, I should like to warn the newer members not to agree to any proposal of that kind, because it would be, I will not say their damnation, but their sorrow in days to come. Hansard is the only protection that the private member has. An hon. member who is a front bencher gets on to the front page of the newspapers, more or less correctly or incorrectly quoted; but if he is a back bencher, and the page happens to be occupied by somebody else, he does not get any notice at all, or he may get a couple of lines and he is lucky if it does not misrepresent his attitude. The first duty of a member—and I speak in the interests of the man who has just come to the house—is to represent his constituents. On some matter of more or less local or perhaps provincial importance he prepares to the best of his ability a statement of what his constituents want him to do and say, and if it does not go into Hansard he is simply "out of luck" to prove to his people that he did what they wanted him to do. On one whole campaign I was followed by a whispering campaign, to the effect that on a certain occasion, on one of the first votes in which I took part in this house, I had, in order to curry favour with the government of the day, voted with them against a resolution—which, it may interest the house to know, was one brought forward in 1922 for the exclusion of orientals—and in favour of an amendment. I had, of course, Hansard to show not only that I had voted against the amendment but that I succeeded in dissuading two Liberal members from British Columbia from doing what I was charged with doing. I never fully overtook that falsehood, and if it had not been for Hansard it would have been utterly impossible to show what my attitude had been. That point, I think, will come home to all new members.

I am a little doubtful whether to vote for this resolution, because, while I am of opinion that there is room for great improvement in the rules, I have a little doubt if they will be improved for the benefit of the man with whom I am concerned, namely the small member, the "back bencher," so to speak. I am just a little afraid it may be another step towards success in the effort which is ever being made by the government of the day—and it does not matter what government it is, it is the same with one government as with the other; they are always endeavouring to curtail the individuality and liberty and rights of the private member. They are forced by necessity to get on with the business; they are anxious to get on; they have far more important business of their own to transact; and the tendency always is to curtail private members' rights.

The last time the rules were revised the private member's right of speaking ad libitum was abolished and his time reduced to forty minutes. I protested against that, not that I wanted to speak so much longer but that I thought that if a man did have a message, and he might be the only member from his province on one or the other side of the house, it might be a matter of urgent importance, and to limit him to forty minutes did not seem to me to be fair. The rule has worked out fairly well, although, as the hon. member for Winnipeg North (Mr. Heaps) pointed out, it has not reduced the debating time of the house. Apart from that, I should be glad to see some improvement made in the rules, and I would suggest one that comes right home to us.

Standing order 15 describes the procedure in the house for each day. It provides Thursday as private member's day for the first four weeks of the session, and then it states that after the expiration of four weeks Thursday shall be government day. By the way the rule is carried out private members are simply deprived of these four days. That is the only day in the week in which what is called "public bills and orders" comes at the top of the order paper, so that it is the only day the member who has a private bill—it is called private, but it means a public bill introduced by a private member—can hope for it to be brought up, with the exception of the odd few minutes on Tuesday and Friday evenings. Those who drew up

this rule intended that private members should have the first four Thursdays. They never have the first Thursday, because the house meets on that day; there is no order paper prepared, and we do not have before us any public bill, so it is hardly fair to count that day; but it is counted. Parliament met this year on January 27. A week from then was February 3; then came the tenth and the seventeenth, and to-morrow marks the end of the month, when we are cut off from the use of Thursday for public bills because of the effluxion of time, which is four weeks. To begin with, the Prime Minister (Mr. Mackenzie King), quite properly in accordance with the sanction of custom if not by the rules of the house, moved that the address in reply should take precedence over all other business. That cut us out of two weeks. In the third week we did have one day, but we shall be deprived of to-morrow because technically the period of four weeks lapses at three o'clock to-morrow afternoon. We are supposed to have four weeks but we have not had it, and very often we do not have it. If the debate on the address lasts longer than ten or twelve days it may well be that we have no Thursdays at all. I suggest that if we think it wise to have Thursday we should have it. But do not let us draw up rules which in practice mean something different from what they appear to be in print.

There is another thing to which I would call attention. These rules, or at any rate most of them, were drawn up primarily in the days when there were only two parties in the house and when members were much fewer in number than at the present time. Now, however, groups have come into the house and evidently they have come to stay, and naturally they wish to express the views of their organizations or their affinity. And why not? That is what they are sent here for. That leads to an extension of the number of resolutions put forward for debate, and we have made no provision at all for that situation.

It is customary now for members to send in resolutions months before the house meets if they want to have anything like a chance of a place in the sun. I sent forward a resolution two months before the house met and it is away down on the order paper, so it is doubtful whether it will now be reached. This is not a desirable condition if we are to carry out what we have always been supposed to have agreed to, namely, the right of private members to bring forward resolutions for debate. If you say that we have not that right then we shall know exactly where we stand. Presumably, however, we are allowed to bring forward such resolutions, and therefore I suggest that we should give more time to the discussion of them. Every resolution should be heard at least once; that is only reasonable. I would go further than that and make a suggestion which, if adopted, would lead to a curtailment, which we should like to see, of the number of these resolutions. I would force every resolution put on the order paper to come to a vote, and those who had brought forward resolutions merely to demonstrate their own eloquence or to give vent to some local grievance would be confronted with the necessity of voting for their own motions. They would have to see their resolutions voted either for or against, unless, of course, the resolutions were withdrawn. But I would not have any resolution withdrawn except by unanimous consent.

Twice this session, and we have sat only four weeks, we have seen resolutions dealing with matters which the people in the particular province concerned—British Columbia—regard as of considerable importance, sidetracked by means of motions for the adjournment of debate. And that, under the rules of the house as they stand, means practically killing a resolution for the session. Would it not be better to have a resolution discussed at least once or twice? I would be heartily in favour of providing that if a member puts a resolution on the order paper he shall be presumed to know what he is doing and to be willing to support that resolution and see it through. If he is sincere he will be willing to do so; otherwise he should not put a resolution on the order paper, and he will be embarrassed if he finds an insincere expression of his carried to a vote and recorded.

I do not know what the attitude of the government is towards this question but I hope that the Minister of Justice (Mr. Lapointe) will consider what I have said in regard to Thursday, because it is not yet too late. It is only a matter of his telling the house whether we shall have to-morrow or not. In this session we have had only one Thursday—one Thursday out of the whole session—on which private members could bring forward bills of public importance, and I suggest that the government might very well give us to-morrow at least. It could be done by way of resolution.

Mr. T. L. CHURCH (Broadview): The motion proposed by the hon. member for Wellington South (Mr. Gladstone) proposes, Mr. Speaker, that a special committee be appointed to consider with your honour the advisability of revising the rules of the house. In my opinion members of parliament to-day have fewer rights and privileges than were

enjoyed in the days of Burke in 1774. Parliament's powers are continually being curtailed.

We have two houses of parliament but the work is not evenly divided. There is no reason why the session should last six months if there were a more workable and more even division of the activities of parliament. For example, we have 245 members considering estimates in committee of the whole in this chamber. That committee is too unwieldy, and I suggest that we might very well set up various committees on estimates as in France and the United States, and, to some extent, in England. There might be one, two, three or four of these committees and they would relieve the minister and the leader of the opposition as well of some of the heavy work entailed in the consideration of supply. I think the system should be changed and we should set up an estimates committee. If a motion is made to strike off a dollar from any item in supply, we are confronted with the possibility of the government resigning if the amount of the item is reduced. This is necessary in consequence of constitutional tradition and practice; for no matter what sort of rules the house may agree upon we are bound to find read into them many precedents, rights, privileges, customs and usages of two or three hundred years' standing. For this reason I suggest that the establishment of an estimates committee system would be a great step forward. Heads of departments could appear before that committee, and items could be either added to or subtracted from without incurring the resignation of the government. Moreover, it would be a more economical and efficient way of doing business. That is the sort of system which has been followed in the municipalities. The heads of departments appear before them and go into all matters, and information can be obtained more satisfactorily than in a large committee where all sorts of questions are asked, some of them irrelevant, and a cut made in all estimates.

I suggest that our rules are not elastic enough. In the British house yesterday and the day before certain matters of very great importance were brought up and also supplementary questions put in connection with them on the orders of the day, and the Foreign Secretary and the Prime Minister were heard in regard thereto. In this house, under our rules, such questions are generally ruled out. That is not through any fault of his honour, because I am free to admit that he has given me and other hon. members considerable latitude, and the fact of the matter is that some of our rules are more honoured in the breach than in the observance. Take, for instance, the forty minute rule. I was opposed to that rule, and I will tell the house why. On one occasion in one year there were four or five bills before the house, all relating to important public matters. One had to do with what was known as the Georgian bay and Ottawa canal, that vast heritage which was handed over to the Siftons. Another bill concerned the Sun Life, where powers were sought beyond those conferred by their charter or by the decision of the privy council in the Beauharnois matter. A third bill during that session had to do with the Bell telephone system to cut up a melon of seventy-five millions. I offer no apology for my small part in their defeat then. All these bills were talked out, and quite properly so; but had we had a forty minute rule then they would have gone through in the twinkling of an eye, although against public rights and policy.

There is no use appointing a committee to revise the rules unless we have what was proposed last session, what I say is one of the most important problems facing this parliament, namely parliamentary reform, constitutional reform, law reform and cabinet reform. Unless we have those, our rules are not on a sure foundation. In 1774, Edmund Burke was addressing his constituents of Bristol City and speaking about the rules and regulations, and our rules are not much different to-day from what they were in the time of Burke. His electors wanted to instruct him what he was to do in regard to foreign affairs, and he told them that a member could not be instructed; that when he became a member of parliament he was a member not for the city of Bristol but for the whole United Kingdom; he had to express his views not as an individual member from the sectional point of view of his constituents, but for the good of the country generally. He said in part:

> You choose a member, indeed; but when you have chosen him, he is not a member of Bristol, but he is a member of parliament. As to a member's sincere consideration, his mature judgment, his choice of decision, these he does not derive from his constituents, no nor from the constitution or the law of the land. They are a trust from Providence to whom some day he will have to give an account.

Our rules are published in an admirable book, Beauchesne's Parliamentary Rules and Forms, by the learned clerk of this house. It gives succinctly the decisions for over two hundred years and is a valuable treatise. It was read the other day in the British house and it is used in the provincial legislatures. It is most useful, saving the need to go to the library in order to look up the rules and

precedents of voluminous text-books. True, in my opinion some mistakes have been made in the way we conduct our business. I referred to foreign policy. In my opinion this is not a free parliament unless, for example, the question raised by the hon. member for Comox-Alberni (Mr. Neill) relating to Japanese immigration and that raised by the hon. member for New Westminster (Mr. Reid) relating to fisheries could be fully dealt with. Just to-day the hon. member, speaking on fishing licences in the Pacific, could not deal with the question properly and force it to a vote. Unless one can do so, this is not a free parliament. A member should have the right to bring forward a motion and have it voted on intelligently by the house. The subject matter of those two motions was more or less controlled by treaties, agreements and understandings which have been made in other places.

In my opinion there should be some way of dividing this work with the senate. The senate at Washington shares the work of congress. A few years ago they had a certain constitutional matter to deal with. What happened? They found it was not necessary to appoint all these roving royal commissions. Take income tax, the high cost of living, the textile, oil, prison, and many other problems, the most important facing us to-day; they were dealt with by a committee of the senate at Washington. But our senate would not work at this and do the same. They should. We have the railway problem. Who is proposing in this house or the other a solution of that problem? It could be solved in a proper way for the benefit of the taxpayers and the employees as well. In Washington they have adopted what you might call a modern system, and brought it up to date to meet changed conditions. They have an estimates committee go over the estimates and arrive at a practical solution of many of their key problems. Take unemployment; look at the senate committee presided over by the late Senator Cousens of Detroit, and see what it accomplished. They summoned the leading minds all over the country and issued an admirable report in 1927, which was the basis of some of the recommendations of the Purvis commission. Instead of enjoying a holiday as our senate does, in Washington they worked during the heat of the summer. If the senate here would sit steadily from the start of the session, certain problems could be dealt with by them and the length of the session curtailed.

I have no objection to the appointment of this committee, although I fail to see what they are going to accomplish, unless they go further and adopt parliamentary, constitutional, cabinet and law reform. Take the present constitutional commission going around Canada; that would be unnecessary had we had this new division of work which I propose. There is nothing they will collect that we do not know now; they may get some additional information; but it is only an advisory commission, and I fail to see that the advice we shall get from this commission and many others will do any good. There are five or six of these commissions now and they prevent parliament from taking immediate action. That is one of the weaknesses of our rules, preventing immediate action on these problems. We are beset in this country by people who are seeking to bring about conditions that they found in the countries of their origin, trying to plant them in our soil. They are foreign to our population, to our soil, and to what we have always had since we have been a country. Canada's foes are of two classes, those within and those without. Against those from without we can depend on the motherland and others for protection, but against the foes within we should be up and doing. We should see to it that complaints and wrongs which prevail in this country to-day, some of them worse than war, social problems, which are a cause of as much suffering among the labouring and poorer people as when the enemy is at the gate, are dealt with.

We need some quicker method of finding a remedy for all these under our parliamentary system and a quick solution. I mentioned one matter the other day, about the housewives and the high cost of living. Nothing has been done. Before a committee in Washington they would have an investigation. We had the price spreads commission which did admirable work; every dollar they spent was for the benefit and good of the citizens, but nothing has been done to cure the ills revealed by it. For the setting up of that commission the present opposition deserves some credit. In committee of supply we hardly dare ask questions. In Burke's speech he said that every shilling of expenditure could be challenged when the matter is before the house as the house had the control of every dollar of the budget. But we have such a circuitous way of getting these things before the house; we have a notice of resolution, the resolution itself in committee; then the bill is brought in; there is first and second reading, committee and third reading, and then it goes to the other house where the same procedure is followed. If municipal affairs

were conducted in the way business is done here the sittings would last the whole year around.

I do not see much use appointing this committee for this purpose, I believe the committee should have added to its scope constitutional, parliamentary, cabinet and law reform as well as new rules.

Mr. R. J. DEACHMAN (Huron North): Mr. Speaker, I venture to suggest that we need not alone a revision of the rules; we need a revision of the minds of the members.

This morning I was turning over the pages of Hansard and by chance came across a paragraph of one of my own speeches. I did not recognize it at first, the language seemed so strange. So I went over it and revised it and cut out half the words and then I rewrote it and eliminated a great deal more. And when I was through with it, it was fairly passable but I confess I was profoundly ashamed of what I had done before.

Mr. BENNETT: Shall we have opportunity to read that in Hansard?

Mr. DEACHMAN: I would have been still more ashamed had I not gone over the speeches of other hon. members afterwards and found that about two-thirds of them, including those of some of the leaders, were almost as bad as mine.

Not long ago an editor wired me for a note of criticism on an article which had appeared. His request was for not more than two hundred and fifty words. I dictated the article, and it came out as six hundred words. I then revised it, cut it down and polished it. When I had finished I must confess it was not too bad at all. Even the most distinguished men in literature find the same thing when they come to examine their own work. I believe it was Dryden who said:

> Polish, repolish,
> Every colour lay;
> And sometimes add,
> But oftenest take away.

If hon. members would do that with their own speeches; if they would prepare them with a little more care and do a little more work on them, there would be no suggestion of shortening the time-limit or of making many other regulations which could be suggested.

If we want examples of fine work in the art of public utterance, we will find them all around us. Could anything be more sweepingly sympathetic than the shortest verse in the bible, "Jesus wept"? Was there ever a more powerful speech delivered, measured by results, than that of Joshua when he commanded the sun to stand still? And yet that speech was couched in fourteen words.

Mr. BENNETT: I read it in the paper the other day.

Mr. DEACHMAN: "Sun, stand thou still upon Gibeon; and thou, moon, in the valley of Ajalon." The right hon. gentleman says he saw it in the paper. I am glad to hear him say that, because I suggested it to the editor, and no doubt it did appear there.

Then we have another splendid illustration of effective speech. May I add, in passing, that it is sometimes difficult to continue speaking and at the same time catch the subvocal statements of my right hon. friend the leader of the opposition (Mr. Bennett). To continue: We have the magnificent example of Lincoln's Gettysburg speech. It came as a simple but dramatic expression of a perfectly elemental mind approaching a great problem by the implications of which he was profoundly moved. I believe that is true of almost any of the really great speeches that have been made.

If hon. members want examples—and magnificent ones—they will find them in the utterances of Asquith. Asquith gave many models of condensation which might well be followed by hon. members in this or any other house. I ask you to consider, as you watch a show, whether it be a moving picture or a presentation on the legitimate stage, to consider the amount of work which must have been done by the artists before the finished product was exhibited. Then consider the easy-going, lackadaisical sort of life we live here in the House of Commons, in which we say a lot and move around a great deal but accomplish very little.

I think a striking example of this is found in the questions asked in the house. Time after time we see questions on the order paper, the answers to which could have been obtained simply by calling the bureau of statistics by telephone. I have no doubt the bureau could provide the answers before the receiver was placed back on the hook. This happens frequently. Then, notices of motion are sometimes written in such a way that one could take five or six meanings from them. If we were to discuss them in the House of Commons in their original form we would waste half our time, because the opposing minds could never get together and could not agree on what they were discussing.

I believe, too, that sometimes much time is wasted in interruptions, which at times make it difficult for others to hear. Another disturbing factor is that there is an inclination towards giving a sharp retort to an

observation which may come from the other side of the house. I am never so ashamed of myself as when I fall into that little trap. Sharp retorts, devoid of humour, in a place of this kind, are the result of an adolescent mind. They come from a mind which has never developed. They come from one who feels that he must exhibit his own sharpness rather than the depths of his comprehension. Of course when there is a touch of humour in them they become delightful.

I shall give the house an illustration of the humour exhibited in this chamber on one occasion from a no less distinguished gentleman than my right hon. friend the leader of the opposition (Mr. Bennett). He was discussing a tariff item and, rather rare for him, mentioned the fact that he thought the tariff rate was too high. The hon. member for Moose Jaw (Mr. Ross) and I simultaneously and together—a redundant phrase by the way —said "Hear, hear," whereupon my right hon. friend dropped into his seat and, with a sad look on his face, said "Now I know I am wrong." I venture to suggest that that was one of the brightest remarks I have heard. It was an instantaneous response filled with humour, and yet without pain.

Mr. DUNNING: And covering the subject adequately.

Mr. DEACHMAN: If hon. members want a perfect example of that kind of humour in one of Canada's great statesmen they will find it in the senator from Brockville, who has made some of the brightest remarks which have ever appeared in the Canadian press. Yet I venture to suggest that not once in all his many years has he hurt anybody in the remarks he has made.

I have just one suggestion to make. I should like to see the form and spirit of debate changed to the point where we should conceive of debate simply as a search for truth. If we were carrying on debate with that in mind, and I should happen to make a statement which causes someone to rise and to correct me, and if in doing so he has the proof that he is right and can show that I am wrong, I am not losing in the debate because I am coming nearer the truth.

And so I should like to see the practice in the house change to that extent. I should like to see debate carried on not for the purpose of beating down someone on the opposing side, or attempting to put something over them by sharp remarks. I want to see debate aim at nothing but the search for truth. When we are on a search for truth we shall get our reward, not only from our own side in politics but from the other side as well.

[Mr. Deachman.]

Upon one occasion in the house I discussed the agricultural situation. Following my remarks I went over and discussed it with the hon. member for Haldimand (Mr. Senn). Why should I not do that? He is a farmer who has had more experience in practical agriculture than I have had. I want to cover everything I possibly can which will help me in presenting my arguments, in the hope that through our combined efforts we may do something to improve conditions throughout the country.

I think it was Montaigne who said, when accused of plagiarism, "I gather the flowers by the wayside, by the brooks and in the meadows, and only the string with which I bind them together is my own." If every hon. member can contribute some little argument or some small effort or thought, and if by our combined efforts we can gather them together into one bouquet, then perhaps we shall have something which will help us in solving the problems of the dominion.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, I wish first of all to compliment the mover of the resolution upon affording this opportunity of discussion. Hon. members have indicated that they want to improve the methods of functioning of the House of Commons. There seems to be agreement, too, on the point that we should spend less time in verbose discussion. I have been in the house a number of years, and I say that it is unfair time and time again to spread throughout the country the fact that it costs so much per day or so much per column of Hansard, in an effort to try to make people believe that it is all wasted money. There is more than the expenditure necessary for the mechanical running of parliament; there is a human side which must be considered. Employment is given to quite a number of people who have no employment between sessions. I see some hon. members on the other side smiling at that, but I think that is something which should be considered. I do not think I have taken more than my share of the time of this house in speaking, and I make no excuse for what I have said in the past or what I am saying at the present time.

We are 245 members duly elected by the electors of the country. We all have our own problems which taken together become national in scope. This is the only way in which we can discuss these problems. I remember quite vividly when I sat in the far corner of the house nearly twelve years ago. For the first few days I was puzzled as to why there should be so many members. To me the machinery of parliament seemed

to be top heavy and very slow moving. But after listening religiously for months to the speeches made, without making a single one myself, I began to hear the voice of British Columbia, the voices of the maritime provinces, of central Canada and of the three western provinces; I began to hear the national voice of Canada. If we took the time we should to discuss the regional and national and international questions that we should, we would be here for fourteen months in the year. I do not believe we waste any time in conducting the business of the house. Again I repeat that we should not forget that employment is given to many people who will be out of employment immediately parliament prorogues.

The hon. member for Winnipeg North (Mr. Heaps) has suggested that we should sit until seven o'clock. I am in favour of anything that will shorten the length of the session without decreasing the amount of work done. Every member, no matter from where he comes, is entitled to express his opinion upon any subject. It will be remembered that last year we had an exceptionally short session. That was not very pleasant for the so-called back benchers. We were told time and again that if it was not possible to prorogue parliament before the coronation, we would have to come back in the middle of the summer or early in the fall. Regardless of what legislation is introduced at this session, I believe it will be much longer because of one reason. Our constituents expect us not only to work in the committees but to express our sentiments in the house on some of the problems which the country has to face.

I believe that this resolution should be sent to a committee to be studied. I listened most attentively to the remarks of the hon. member for Winnipeg North when he suggested that the estimates should be considered by a special committee. I am absolutely against the setting up of such a committee, unless it is composed of all the members of the house. Of necessity the committee would have to be limited in number, perhaps to not more than twenty-four members. Does the hon. member expect that other members who are not on the committee will be satisfied with the reports brought in? Any hon. member would have the right to discuss each item regardless of how much time had been spent in the committee and every member of this house would have the right to scrutinize every one of these items.

I remember when it was suggested eleven years ago that speeches should be limited to forty minutes. Some members thought that would not work out; but taking myself as an example, I believe that if I were allowed to speak only twenty minutes instead of forty, my speeches would be much better than they are at the present time. Perhaps the same thing could be said of many other hon. members. An attempt to save time is not a good thing as far as this parliament is concerned. It should not be an end but a way to good legislation. Each one of us has certain responsibilities, not only towards this parliament but towards our constituents. It is our duty to see that the questions which are dealt with are dealt with properly regardless of time.

I do not know if I am in order, but there is one matter I should like to mention. I have never liked the idea of having to take an oath to get my indemnity cheque. I submit I have a right to that regardless of how many days I have been absent from the House of Commons but I must state that I have lost very little time, however. In my time I have paid several payrolls and I have never had one of my men put his hand on the bible to swear that he had worked so many days. I believe that is my responsibility to my constituents. If they do not believe I am fulfilling my duties; if they do not think I have been in the house enough, then it is up to them to penalize me the next time I ask them for their support. I believe it is degrading to ask members of parliament to go down to the office and take an oath that they have sat so many days in the House of Commons. As far as I am concerned, I have taken that oath for the last six years, and it is not my intention to do it in the future, although I have done it for the first three years.

Mention has been made of the time taken up in recording a vote. We should adopt a system similar to that used in Great Britain. I shall not say we waste half an hour, but we lose that much time in taking a vote, whereas it should be possible to take it in ten minutes. I appreciate the opportunity given to me this afternoon to make these remarks on the resolution introduced by the hon. member for Wellington South (Mr. Gladstone). This is a private members' day. I have no doubt that on previous occasions it has been said that the time of the house has been wasted in discussing private members' resolutions. I believe that private members' days represent one of the most important principles of democracy. Speaker after speaker has stated that the number of private members' days should be increased, and I am entirely in favour of that suggestion. The government is represented by the members of the cabinet, but the individual members also have a responsibility. There is no doubt that some great benefits to the people as a whole have

resulted from private members' resolutions. Time and time again we see it stated in the press that parliament is a great waster of public funds; that parliament is a great waster of time; but I repeat that I consider it miraculous that we are able to complete the work of parliament in the time that we do. I must re-state here again that here in this parliament we have 245 members duly elected by their constituents and in their mandate the electors have the implicit right to expect that their representatives will discuss diligently and if necessary extensively regional and national questions.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I have enjoyed the speeches of the hon. member for Cochrane (Mr. Bradette), the hon. member for Broadview (Mr. Church), the hon. member for Comox-Alberni (Mr. Neill), and the hon. member for Huron North (Mr. Deachman). I should like to express my approval of virtually everything that has been said by these gentlemen. As I am a new member representing a new movement, perhaps it may interest other hon. members to know how we in this corner feel about the rules of the house. One of the most confusing things to a new member is the "order" chorus. This chorus seems to be consistently put in operation when a new member tries to talk. He may be out of order, but we find it exceedingly difficult to know when we are in order and to present our ideas without being interrupted and interfered with and disconcerted and generally prevented from telling in a straightforward way the things we came to tell. In the light of that situation I think the observations of the hon. member for Cochrane were exceedingly pertinent and appropriate. If there is one thing that is truer than another it is this, that what seems the radical, extreme idea of one day is looked upon as the sane, solid orthodoxy of another.

Mr. DUNNING: Some of them.

Mr. BLACKMORE: True, and who knows which of the ideas considered radical to-day will be orthodox to-morrow? That is the important thing. Nearly always the ideas which look most unorthodox to one generation are regarded as manifest platitudes to another. The history of our people so abounds in cases of that kind that it is simply a platitude for me to state it.

With respect to the resolution before us, I appreciate its having been introduced because it gives us a chance to express our ideas. Without intending any offence to the hon. member who introduced it (Mr. Gladstone), my impression is that the resolution is too vague. I felt very sympathetic with the words of the hon. member for Comox-Alberni. Perhaps I may be wrong, but I have the feeling, and it is abroad throughout the land, all over the west and in many parts of the east, that there is a deliberate, secret, calculated movement aiming to suppress the popular expression of opinion, and to suppress new and popular movements, the assumption being that whatsoever is new must be wrong. Consequently in a resolution of this kind I find some ground for anxiety, and just in order to remove such anxiety it would have been better I think had the member specified in the resolution, so that we could consider them, one or two reforms which he believes desirable. If we study the history of parliamentary government among British peoples, we shall find that many attacks have been made on the rights of parliament, and some of them have succeeded in a way from which we are suffering even to-day. So I think the resolution is too vague.

We should be told, for example, to whom this committee is to report and who is to take action on its proposals. Are the proposals to be presented to this house before they are drafted in a bill?

Since we have sat here, Mr. Speaker, I have peen positively astounded at the way some things are railroaded through. Last night we had a good example of the kind of thing which under our rules may be done and what an appalling thing it is that it can be done in a great democracy like Canada. Just think of this: If one more member had chosen to speak or the discussion had continued five minutes longer, hon. members would not have been able to express an opinion in the form of a vote on a bill that every single member of this house enthusiastically supported; the result would have been that this country would have continued to suffer from one of the most disgusting and outrageous abuses that I believe ever began to develop in a British country, and there would have been absolutely no way of our resisting it. I refer to the bill dealing with the Performing Right Society. The feeling which was made manifest here last night so enthusiastically on that bill, has prevailed for three years, during which the people have been clamouring for a change, and for three years a bill has been brought into the house to correct this abuse, but has been killed. There is a state of affairs which manifestly is not working for democracy.

If the findings of the committee which this resolution proposes should be presented to some body not reporting directly to this house, and then if the committee's recom-

mendations are put into the form of a government measure—I do not wish to imply anything against the government, but suppose that should be done—if such measure should then come into the house with the whole strength of the party machine in operation behind it, some of the liberties at least which the minor groups in the house now enjoy could be taken away from us, and we could do absolutely nothing about it. This is too bad but it is true, so far as I have been able to judge during the short time I have been in the house.

I do not wish, Mr. Speaker, to prolong my remarks. I wish to see reforms in parliament in so far as they will really reform, but as members of this house we cannot realize too fully that the liberties and happiness not only of this generation but of generations yet unborn are in our keeping. Before, therefore, we modify anything which has been discovered and perfected and handed down to us by our fathers as safe and sane we should be very, very careful. Consequently I must oppose the resolution on the ground that it is too vague—not that I am not in favour of reform, but that I wish to be very sure that there is nothing to come out of this resolution which will do us harm instead of good.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, after all, I believe the rules of the house are not so bad as some people sometimes represent them to be, and the discussion in the house this afternoon rather confirms my view.

I share to a large extent the view of the hon. member who has just taken his seat (Mr. Blackmore) that it would be better if some practical suggestions were made in the resolution so that the house would know what is really involved in the proposal now before us. While no man is more favourable than I am to changes, provided they are reforms and real improvements, I do not want to change something that is good to make it less good. Our rules have come down to us as the result of the working out of parliamentary institutions in Great Britain and Canada for many, many years. Indeed, one of the sections of the British North America Act says that the privileges and powers of the Senate and the House of Commons of Canada shall be those enacted by the parliament of Canada, provided they do not exceed the privileges and immunities and powers of the House of Commons and the House of Lords of Great Britain.

The rules have been changed occasionally in minor respects. There have been only two full revisions of the rules. I do not agree with the hon. member who said that every time the rules have been changed it has been for the purpose of curtailing the rights of private members. I think, on the contrary, that the rights of private members have not been curtailed but rather extended when a revision has been made. I had the privilege of being a member of the Speaker's committee in 1927, when the last revision was made, and the main changes made at that time were the eleven o'clock adjournment rule and the forty minute rule for speeches. The hon. member for Winnipeg North (Mr. Heaps) says that the forty minute rule has not shortened the sessions of parliament. It is possible that it has not shortened the sessions of parliament; but I think it has prolonged the life of some of us, and it has given an opportunity to more members to express their views on any subject which comes before the house. Years ago there was no limit to either the length of the speech or the length of the session.

Mr. DUNNING: Or the length of the day.

Mr. LAPOINTE (Quebec East): Or the length of the day. In 1913 we sat in the House of Commons for two weeks night and day, with the exception of Sunday; at twelve o'clock on Saturday night, we being all good Christians, the house adjourned to three o'clock on Monday. There we were, divided into squads to keep the fire burning; and it was this incident that showed the necessity of the rule of closure, to which I objected strenuously and of which I complained bitterly when it was imposed. But I am free to confess that in the hectic days of 1926 I myself had to move closure, and I found it was a very good instrument to use when the circumstances justified.

Let me say that I have pondered the British parliamentary rules. I have taken my political education in the British system of parliament, and I do not agree to any extent with those who praise the United States way as regards committees and other devices. Of course it is quite different; the system is not at all the same. Ministers have no seat in congress; necessarily they must appear before committees and explain the policies of the government which have to be decided afterwards by congress. But I do not believe that anybody in this country would favour a change under which our ministers would not occupy seats in parliament. As far as I am concerned I would rather not be a minister if I had to relinquish my seat in the house.

Now, with regard to private members' rights. Mention has been made of the practice in the House of Commons in England. Perhaps hon. members know that there the government is the absolute master of parliamentary proceedings, such as the length of debates, allocation of days for a certain debate, and when

the vote shall be taken; so far as private members' resolutions are concerned, there is a ballot, and the members who will have the floor on the day which is fixed for discussion are those whose names come out of the basket.

Mr. DUNNING: And no more than one in twenty-five ever comes out.

Mr. LAPOINTE (Quebec East): So that our system is certainly not more restrictive than the one which is used in the British House of Commons.

I have been a private member twice as long as I have been a member of a government, and I do not recall that at any time I have been deprived of a chance to say something when I had something to say. My good friend the hon. member for Winnipeg North, who is one of those who complained most, might find it difficult to recall an occasion when he has been prevented from saying something in the house.

Mr. HEAPS: I did not complain.

Mr. LAPOINTE (Quebec East): No? That is fine. Because, apart from the resolutions and the public bills, an hon. member can always speak when the house is moved into committee of supply, except on Thursdays and Fridays; he can say anything under the sun. There is the debate on the address, and there is the chance of speaking on other members' proposals and on government measures and of saying anything that would be of practicability and of use to the country.

Mr. DUNNING: And on the budget.

Mr. LAPOINTE (Quebec East): And, of course, in the debate on the budget. After all, the business has to be done. The government is a committee of the House of Commons; it is an executive which is supposed to represent the House of Commons in parliament in the administration of affairs, in the carrying on of public business, and it would be impossible to go on with the business of the country if there were not some rules which at least give the government the right of way on certain days. Perhaps those days are more numerous than some hon. members would like them to be, but it is essential to make such provision; otherwise the session would be never-ending. Business could not be done properly if the rules were not substantially in the form in which they are to-day.

The hon. member for Huron North (Mr. Deachman) says that the work of parliament must be one of search for truth. I quite agree with him, but I think the rules as they stand have been framed for that purpose. When he referred to the niceties of debates and the witty repartees of my right hon. friend, I may remind him that all that has been done under the rules as they are to-day.

I am grateful and I think the house is grateful to the hon. member who moved this resolution. It has been the occasion of many suggestions which will be considered, but I believe the subject is one which needs to be studied by each hon. member individually. We were not expecting this to be a session for the revision of the rules, and I may assure the house that the work of this session will be heavy. I do not see that it would be possible to have a Speaker's committee to alter the rules of the house at the present session. However, my hon. friend's resolution has certainly served a good purpose; he has gone some way towards the end he had in view, and perhaps he will not force a division on the resolution.

Hon. J. E. LAWSON (York South): As there is hardly time left to take up effectively the succeeding notice of motion on the order paper, I should like, with respect to this discussion, to express a thought which probably was barely touched upon by some hon. gentlemen who preceded me this afternoon. It has seemed to me, in the ten or eleven sessions that I have been in this house, that one respect in which our rules are defective, at least from the public standpoint, as serving the interests of democracy, if not from the standpoint of actual debate in this chamber, is that from time to time we close the session without disposing of the business which is already on the order paper. I ask seriously whether it is not a mistake in the interests of maintaining a democratic system of government and a democratic parliament, to have the session close without private bills in some instances having had an opportunity of being dealt with. The same is true of private members' resolutions. The answer to all that is obviously that the session would run on forever and never be closed. I suggest that it might be better if we had a time limit placed upon the date, after the commencement of the session, when these matters might be put on the order paper for discussion. But I think, in the interests of the country, we ought to dispose of matters which are already on the order paper.

Let me give another illustration of what I consider an evil, if I may use that word for want of a better, of the present situation. During this session I felt compelled to divide the house, and the vote took up probably half an hour. Why did I do that? For this reason. The Minister of Transport (Mr. Howe), rightly or wrongly, took a position which I considered in error. Under the rules

I could not discuss that notice of motion for the production of papers in the house without its going to notices of motion, and if under the rules it went to notices of motion it had little or no chance of ever being reached. It so happens—I say this with deference to hon. gentlemen who took a different view—I am thoroughly satisfied, which I suppose is not unusual, that I was right in this particular instance, and that those who voted against me on that occasion were wrong. I am satisfied that, having regard to the legal knowledge and the judicial mind of the Minister of Justice (Mr. Lapointe), I could present a case to him and have him decide in my favour in view of the British precedents which I took the trouble to look up.

Mr. DUNNING: Of course, under the rules, my hon. friend will have another opportunity on that subject.

Mr. LAWSON: Possibly.

Mr. DUNNING: Definitely.

Mr. LAWSON: Possibly, but it is doubtful unless I wish to take advantage of the opportunity on going into supply some day—

Mr. DUNNING: There will be another one.

Mr. LAWSON: —and then I might be met with a difficulty which I shall not suggest for fear it might be raised against me.

Mr. DUNNING: I could suggest another opportunity apart from that.

Mr. LAWSON: I think the house should seriously consider whether we ought to amend the rules so as to provide that before the close of any particular session we shall dispose of all business which is on the order paper, even if we have to limit the date after which no matter may go upon the order paper.

Mr. GLADSTONE: Mr. Speaker, I wish to dispel the fears of the hon. member for Lethbridge (Mr. Blackmore) with regard to the wording of the resolution. Referring to the Journals of the House of Commons for 1926-27, I find a similar resolution in these words:

On motion of Mr. Mackenzie King (Prince Albert), it was resolved that,—A special committee consisting of Messrs. Lemieux, Elliott, Euler, Lapointe, Marcil, Johnston (Long Lake), Kellner, Bird, Hanson, Boys, Perley (Sir George), Black (Yukon), and MacDonald (Cape Breton South), be appointed to consider with Mr. Speaker the advisability of revising the rules of the house and to report to the house at the present session.

In the same Journals, I find fifty pages devoted to the report of this committee, which gave us the rules of the house as they stand to-day.

As the sponsor of the resolution I should like to express my appreciation of the many hon. members who have contributed to the discussion, which I am confident will result in profit. I am sure it has brought to the notice of members of the government many points, particularly points in which private members are interested. There is no desire on the part of private members at any time to embarrass or impede the progress of the government, and I am sure that at all times it is their wish to facilitate government in every way and to do all those things which are in the interests of the people. Under the circumstances I am quite content that the motion should be withdrawn.

Motion withdrawn.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 24, 1938

The house met at three o'clock.

CRIMINAL CODE

AMENDMENT TO PERMIT SWEEPSTAKES ORGANIZED BY PROVINCES FOR BENEFIT OF UNIVERSITIES OR HOSPITALS

Mr. ERNEST BERTRAND (Laurier) moved for leave to introduce Bill No. 28, to amend the criminal code.

He said: Mr. Speaker, subsection 6 of section 236 of the criminal code has to do with the exceptions in favour of lotteries. One of these exceptions is found in paragraph (e), as follows:

(e) the Art Union of London, Great Britain, or the Art Union of Ireland.

This exception is now obsolete. However, all hon. members know that a number of sweepstakes are now being held throughout Canada. It is the intention of the bill to repeal paragraph (e) and replace it by another which would permit the recognition of sweepstakes by the governments of the provinces, the benefits to go to universities and hospitals. The bill speaks for itself.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX FRAUDS

Mr. CHURCH:

Will any investigation be made here into whether a similar state exists in Canada as in United States about huge income tax frauds, as requested on page 3355 of Hansard, 1936?

Mr. ILSLEY: Continuous investigations to prevent fraud are carried on by the income tax division.

CANADIAN WHEAT BOARD—A. M. SHAW

Mr. COLDWELL:

1. For what period, if any, was A. M. Shaw a member of the Canadian wheat board, (a) in 1936; (b) in 1937?
2. What salary, expenses or emoluments did A. M. Shaw receive for his services with the Canadian wheat board, (a) in 1936; (b) in 1937?
3. For what period, if any, was A. M. Shaw employed by the Department of Agriculture in 1937?
4. What salary, expenses or emoluments did he receive for his services with the Department of Agriculture in 1937?

Mr. RINFRET:

1. (a) All the year; (b) All the year.
2. (a) Salary $15,000 travelling expenses $696.13; (b) Salary $4,309.25; travelling expenses $657.42.
3. From January 22, 1937, to December 31, 1937.
4. Salary for above period $7,937.86; Travelling expenses during same period $2,741.50.

TORONTO POST OFFICE

Mr. CLARKE (Rosedale):

What revenue was derived by the government at Toronto central post office on Christmas day, December 25, 1937?

Mr. EULER: Incidental to other necessary work, employees on duty gave a restricted service at the general delivery wicket between 7 a.m. and 12 noon.

The revenue collected was $22.69.

The employees on duty were also engaged on box sortation, etc.

Complete deliveries were given in all sections of the city. Had this service not been given, the mails which were sorted Friday evening would have been delayed until Monday morning.

Mr. CLARKE (Rosedale):

What was the additional cost of the operation of the holiday postal delivery in Toronto for the year 1937?

Mr. EULER: Estimated cost, $14,266.01.

Mr. CLARKE (Rosedale):

1. What were the number of additional temporary employees in the Toronto post office during the Christmas rush of 1937?
2. What number of these employees were returned men?

Mr. EULER:

1. 2,723.
2. 933.

MAPLE SUGAR AND SYRUP PRODUCTION

Mr. LACOMBE:

1. What quantities of maple sugar and of maple syrup were produced in Canada during the years 1932, 1933, 1934, 1935, 1936, and 1937?
2. During the same years, what were the exports from Canada of maple products: (a) to the several dominions and to the British Empire; (b) to the United States?

Mr. EULER:

1. Production—

Years	Maple Sugar Pounds	Maple Syrup Gallons
1932	7,260,000	1,709,990
1933	5,785,130	1,262,315
1934	4,940,690	1,838,400
1935	6,538,960	2,250,769
1936	9,231,803	2,022,719
1937	4,413,147	1,232,069

2. Domestic Exports from Canada of Maple Sugar and Maple Syrup (calendar years, 1932 to 1937).

Maple Sugar	Years ended December 31					
Empire countries	1932	1933	1934	1935	1936	1937
To United Kingdom Lb.	30,639	36,111	24,718	34,981	24,843	28,179
$	5,333	5,312	4,079	5,513	3,623	5,056
Irish Free State Lb.	....	....	....	....	581	....
$	....	....	....	....	80	....
British East Africa Lb.	....	....	....	....	50	....
$	....	....	....	....	14	....
British South Africa Lb.	....	1,162	....	378	371	939
$	....	289	....	57	56	115
British India Lb.	....	....	....	....	20	....
$	....	....	....	....	4	....
Bermuda Lb.	....	....	40	28	....	285
$	....	....	16	8	....	48
Newfoundland Lb.	....	48	....	3,173	8,095	15,072
$	....	10	....	366	937	1,827
Australia Lb.	....	....	....	30	120	571
$	....	....	....	5	18	86
New Zealand Lb.	....	....	....	....	10	152
$	....	....	....	....	2	28
Total Empire countries Lb.	30,639	37,321	24,758	38,590	34,090	45,198
$	5,333	5,611	4,095	5,949	4,734	7,160

	Years ended December 31					
Maple sugar—						
Foreign countries	1932	1933	1934	1935	1936	1937
To United States.. .. ..Lb.	3,363,180	2,323,570	3,607,198	1,710,850	8,207,523	3,456,148
$	600,067	382,600	557,170	217,976	1,289,776	508,408
Other foreign countries..Lb.	5,357	9,911	7,849	22,647	28,087	44,834
$	860	1,264	781	4,048	5,303	6,360
Total foreign countries..Lb.	3,368,537	2,333,481	3,615,047	1,733,497	8,235,610	3,500,982
$	600,927	383,864	557,951	222,024	1,295,079	514,768
Grand total exports (maple sugar).. .. ..Lb.	3,399,176	2,370,802	3,639,805	1,772,087	8,269,700	3,546,180
$	606,260	389,475	562,046	227,973	1,299,813	521,928
Maple syrup—						
Empire countries						
To United Kingdom.. .. ..Gal.	4,083	2,351	1,747	2,454	2,667	2,554
$	11,244	4,860	3,842	5,889	6,503	5,980
Irish Free State. .. ..Gal.	....	....	....	....	2	....
$	....	....	....	....	4	....
British South Africa..Gal.	....	14	....	155	78	87
$	....	30	....	282	96	200
Bermuda.. .. ..Gal.	118	178	86	222	469	433
$	318	420	200	438	1,093	1,018
British India.. .. .. ..Gal.	....	9	....	8	5	....
$	....	14	....	16	17	....
British Guiana.. .. ..Gal.	....	....	....	....	9	3
$	....	....	....	....	12	6
British Honduras. .. ..Gal.	....	....	3	....	....	....
$	....	....	7	....	....	....
Barbados.. .. ..Gal.	....	....	1	5	5	1
$	....	....	2	8	10	2
Jamaica.. .. ..Gal.	....	....	11	26	20	43
$	....	....	27	54	49	101
Trinidad and Tobago..Gal.	....	2	10	....	13	5
$	....	3	17	....	27	11
Other Br. West Indies..Gal.	....	....	4	....	....	7
$	....	....	8	....	....	15
Newfoundland.. .. ..Gal.	27	93	47	121	156	89
$	70	203	101	200	278	176
Australia.. .. ..Gal.	....	....	....	15	30	....
$	....	....	....	25	38	....
Fiji.. .. ..Gal.	....	....	....	6	....	....
$	....	....	....	12	....	....
New Zealand.. .. .. ..Gal.	....	....	52	156	84	433
$	....	....	76	378	172	1,061
Total Empire countries.Gal.	4,228	2,647	1,961	3,168	3,538	3,655
$	11,632	5,530	4,280	7,302	8,299	8,570
Maple syrup—						
Foreign countries						
To United States .. .. ..Gal.	4,896	30,277	105,137	204,918	10,703	4,035
$	6,014	26,396	112,933	210,083	20,461	12,239
Other foreign countries.Gal.	79	70	36	83	64	126
$	154	147	52	151	153	304
Total foreign countries.Gal.	4,975	30,347	105,173	205,001	10,767	4,161
$	6,168	26,543	112,985	210,234	20,614	12,543
Grand total exports (maple syrup).. .. ..Gal.	9,203	32,994	107,134	208,169	14,305	7,816
$	17,800	32,073	117,265	217,536	28,913	21,113

PREFERENCE ON IMPORTATIONS THROUGH CANADIAN PORTS

Mr. ISNOR:

Has the present government taken any action which would result in our ports losing the ten per cent preference on goods entering Canada by being conveyed directly into a Canadian seaport, as stated by the right hon. leader of the opposition in this house on the 31st day of January of this year?

Mr. ILSLEY: No. The customs tariff (sections 3 and 5) still provides that all goods, to be entitled to the benefits of the British preferential tariff, must be conveyed without trans-shipment from a British country into a sea, lake or river port of Canada, and that on such goods, with certain specified exceptions, the duties computed at British preferential tariff rates shall be subject to a discount of ten per cent.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPENSES OF CANADIAN ATHLETES AND OF REPRESENTATIVES OF CANADIAN CHAMBER OF AGRICULTURE TO AUSTRALIA

Mr. COLDWELL:

1. Was the government approached to assist in financing the trip of Canadian athletes to Australia?
2. If so, what contribution, if any, was made?
3. Was the dominion government approached to finance representatives of the Canadian chamber of agriculture to the producers empire conference in Australia?
4. If so, what contribution, if any, was or will be made?

Mr. RINFRET: In order to reply properly to this question it is desirable that a copy of some of the correspondence be tabled. I suggest that it be made an order for return.

CANADA-UNITED STATES TRADE AGREEMENT

Mr. CAHAN:

In the matter of the trade agreement between Canada and the United States of America, which came into force on January 1, 1936:

1. If the exports from Canada during the calendar year 1936 on which reductions of United States customs duty were made by the said agreement be described as class A, and those exports from Canada on which no reduction of United States customs duty was made be described as class B; what was the value of exports in class A as compared with the value of exports in class B in each of the three calendar years 1935, 1936 and 1937?
2. If the imports from the United States into Canada during the calendar year 1936, on which reductions of Canadian customs duty were made by the said agreement, be described as class C, and those imports from the United States into Canada on which no reductions of Canadian customs duty was made be described as class D; what was the value of imports in class C as compared with the value of imports in class D in each of the three calendar years 1935, 1936 and 1937?

DUTIABLE IMPORTS

Mr. McDONALD (Souris):

1. What is the total amount of goods which entered Canada during the fiscal year 1936-37, upon which duty was paid?
2. What amount of duty was collected?
3. What is the total amount of goods upon which the sales tax was levied in the fiscal year of 1936-37?
4. What amount was paid?
5. What is the basis of valuation of goods which are imported for manufacturing purposes?

PRAIRIE FARM REHABILITATION ACT—EXPENDITURES

Mr. BLACKMORE:

1. What is the total amount of money spent under the Prairie Farm Rehabilitation Act, in each of the provinces of Manitoba, Saskatchewan and Alberta?

[Mr. Ilsley.]

2. How much of this money was spent, in each of the above mentioned provinces, in actual assistance to farmers for dams and irrigation projects?
3. How much was spent in administration in each of the above mentioned provinces?

CIVIL SERVICE SUPERANNUATION

Mr. WARD:

1. What number of civil servants now in the service are over 65 years of age, and how many are over 70 years of age?
2. How many civil servants now in the service have completed their payments to the superannuation fund, by virtue of the thirty-five year contributing clause in the act?
3. How many civil servants have received promotion, the promotion giving increased salary, since they ceased making contributions to the superannuation fund?

RADIO BROADCASTING

PROVISION FOR COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF CANADIAN BROADCASTING CORPORATION

Hon. C. D. HOWE (Minister of Transport) moved:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the corporation with special reference to revenues, expenditures and development, with all the powers vested in the standing committees under standing orders and the resolution passed by this house on the 7th February, 1938.

Right Hon. R. B. BENNETT (Leader of the Opposition): Might it not be desirable to indicate in the motion the number of members that will comprise the committee? Otherwise it seems to me that a further motion of a different kind will have to be made.

Mr. HOWE: I understood that a second motion naming the members of the committee would be required.

Mr. BENNETT: So it is.

Mr. HOWE: I thought the number could be specified then.

Mr. BENNETT: The usual custom is to designate the number at this stage.

Mr. MACKENZIE KING: Not necessarily.

Mr. BENNETT: I think it is necessary, otherwise how are you going to deal with it? How will you know how many to appoint? It is quite all right for the clerk to make the statement I heard him make just now, but that is not an accurate statement. The rule of this house has been to name a committee consisting of seven, nine, eleven or so many members, so that we shall know how many to appoint when the committee is set up.

Mr. MACKENZIE KING: The rule is that if there are to be more than fifteen the number must be mentioned.

Mr. BENNETT: The number has to be settled by some action of this house.

Mr. MACKENZIE KING: There will be another motion naming the members of the committee.

Mr. BENNETT: That will have to appear on the order paper. Otherwise it would not be necessary to have it on the order paper at all. That is the point.

Motion agreed to.

RAILWAYS AND SHIPPING

APPOINTMENT OF STANDING COMMITTEE TO CONSIDER ACCOUNTS AND ESTIMATES

Hon. C. D. HOWE (Minister of Transport) moved:

That standing order 63 of the House of Commons, relating to the appointment of standing committees of the house, be amended by adding to the standing committees of the house for the present session a standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred accounts and estimates and bills relating thereto of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, for consideration and report to the house; provided however that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that the said committee consist of Messrs. Barber, Beaubier, Bothwell, Deachman, Elliott (Kindersley), Emmerson, Ferland, Fiset (Sir Eugène), Fraser, Hanson, Heaps, Howard, Howden, Howe, Kinley, McKinnon (Kenora-Rainy River), McLarty, Maybank, Parent (Quebec West and South), Stewart, Vien, Walsh and Young.

Right Hon. R. B. BENNETT (Leader of the Opposition): There is one question that arises out of this motion. Would it not be desirable to refer the accounts of the trans-Canada airlines to this committee, in view of their relationship to the Canadian National undertaking?

Mr. HOWE: It is a subsidiary company of the Canadian National Railways and automatically the accounts would be referred to this committee.

Mr. BENNETT: In view of the statute passed at the last session it could hardly be described as a subsidiary in the sense in which that term is used in respect to the other companies included in the Canadian National set-up. The trans-Canada airlines is a separate organization and in that sense is not a subsidiary. For instance, some lines of railways are subsidiaries, the capital stock being all owned by the company, but this company is covered by a separate statute of this parliament. If the minister says that this motion is intended to cover it, that answers my question.

Mr. HOWE: It is certainly the intention to submit the accounts of the trans-Canada airlines to this committee.

Motion agreed to.

FOREIGN POLICY

ATTITUDE OF CANADIAN GOVERNMENT RESPECTING BRITISH POLICY IN RESIGNATION OF ANTHONY EDEN

On the orders of the day.

Mr. E. J. POOLE (Red Deer): Would the right hon. Prime Minister (Mr. Mackenzie King) state if it is the intention of the Canadian government to support the pro-fascist policy of the British national government, as clearly shown by the forced resignation of Mr. Anthony Eden?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon friend that to my mind his question is highly improper and is one that should not be answered.

NATIONAL REVENUE

REFUNDS OF TAXES—DISPOSITION OF MOTION FOR PAPERS ON FEBRUARY 23 IN NAME OF MR. BETTS

On the orders of the day.

Hon. J. L. ILSLEY (Minister of National Revenue): I should like to direct attention to page 107 of the votes and proceedings of yesterday. A motion by Mr. Massey for Mr. Betts is recorded there as having been passed. As a matter of fact it was not passed by the house and I ask that it be so considered. If any correction is necessary, I ask that it be made.

VALIDITY OF QUEBEC STATUTE

QUESTION OF DISALLOWANCE OF "ACT RESPECTING COMMUNISTIC PROPAGANDA"

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): On February 8 I asked the right hon. Minister of Justice (Mr. Lapointe) whether or not the government would hear counsel when the matter of considering the disallowance of the so-called padlock law of Quebec was before it, and he indicated that he would give me an answer at an early date. Since then I have looked into the matter a little and I find that in many cases the minister

of justice sitting alone has heard counsel; in one or two cases the prime minister sat with him, and in another case, a committee of the cabinet sat to hear argument. Apparently there is a long line of precedents to indicate that counsel has been heard on such applications, and I was wondering if the minister has arrived at a conclusion.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I am sorry I have not answered my right hon. friend earlier. I have found that on two occasions a committee of the council heard interested parties in connection with the disallowance of provincial legislation, but in both cases private companies were interested and had asked to be heard. The legislation did not concern the citizens at large; in both instances it had to do entirely with the rights of private corporations.

Mr. BENNETT: One case was the Commercial Travellers of British Columbia in 1905.

Mr. LAPOINTE (Quebec East): That was one of them. I have no objection at all to receiving any counsel who wants to present argument in the matter, but as far as delegations are concerned, I shall not receive any.

DOMINION FRANCHISE ACT

POSTPONEMENT OF REVISION OF EXISTING LISTS FOR ONE YEAR

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 2, to amend the Dominion Franchise Act.

He said: This bill is similar to the ones we have passed at the two preceding sessions. While the Dominion Elections Act of 1934 is still on the statute book, it has been inoperative as far as by-elections are concerned because in the past two sessions we have passed special bills dealing with this matter. There would be no purpose in revising annually the permanent lists; it would cost a large amount of money. This bill is in exactly the same terms as those of similar bills approved by the house at previous sessions, except for the year.

Hon. H. A. STEWART (Leeds): Can the minister tell us when we may expect to have before us the Dominion Elections Act, which has been before a committee of the house for the last two years?

Mr. RINFRET: I am not in position to give the exact date, but I can assure my hon. friend that it is the intention of the government to introduce as soon as possible a new act based on the work done by the committee.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

[Mr. Bennett.]

TRANS-CANADA AIR LINES

AUTHORITY FOR EXTENSION BEYOND THE CONFINES OF CANADA

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend The Trans-Canada Air Lines Act, 1937, to empower the governor in council to authorize the minister to enter into a contract for the extension of the Trans-Canada Lines of aircraft beyond the confines of Canada.

Motion agreed to and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. BENNETT: Will the minister explain the resolution, please?

Mr. HOWE: The amendments are very simple. They are to correct two omissions in the original bill. By agreement made some two years ago with Great Britain, Ireland and Newfoundland, Canada is obligated to take a proportion of stock in the Transatlantic Air Service. The agreement provided that each government should nominate an aviation company which would assume the government obligation in that regard, and the amendment provides that authority shall be given to Trans-Canada Air Lines to purchase the government's share of stock in that company. When we were discussing the bill itself last year I mentioned that this would be the company entrusted with that service, and in setting up the capital of the company, funds were provided to carry out this obligation, but we omitted to provide in the bill that the company should have the right to purchase the government share of stock in the transatlantic company.

The second amendment is also to correct an omission. It will be recalled by hon. members that the route of Trans-Canada Air Lines was originally laid out across the state of Maine between Montreal and Moncton, New Brunswick. A strict reading of the act that was passed last year would prohibit Trans-Canada Air Lines from operating outside Canada, and the amendment makes a very minor alteration to permit the company to operate outside of Canada, either on the main transcontinental route or with such international connections as the government may designate in the operation of the service.

Mr. BENNETT: I suppose the approval of other countries is given as a matter of course.

Mr. HOWE: Yes, with respect to international routes. We have had one conference with the United States already.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 29, to amend the Trans-Canada Air Lines Act, 1937.

Motion agreed to and bill read the first time.

INSPECTION AND SALE

PROPOSED REGULATIONS RESPECTING BINDER TWINE, SALT AND OTHER COMMODITIES

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to regulate the inspection and sale of binder twine and salt, to establish weight of bushel for certain commodities commonly sold by the bushel and to authorize the appointment of inspectors and analysts.

Motion agreed to and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. STIRLING: Would the minister make a statement on the resolution?

Mr. GARDINER: Mr. Chairman, there has been a statute on the books for many years—an act respecting the inspection and sale of certain staple commodities. The purpose of the proposed bill is to repeal that act and to renew where necessary the provisions, with respect to inspection and sale, of the act that was previously on the statute book.

For a number of years the act has been administered by the Department of Agriculture, since 1924, I think, although in the terms of the act itself it is stated that the minister is the Minister of Trade and Commerce. Many sections of the act have been reenacted by different pieces of legislation which are also now administered by the Department of Agriculture. Such parts of the act as have been reenacted will be completely repealed by this bill, and where it is necessary to continue sections they will be continued in the legislation to be based on this resolution. It will also provide for more appropriate regulatory measures for the sale and salvage of binder twine, for the establishment of legal weights per bushel of commodities commonly sold by measure, and for the repeal of provisions duplicated by more recent legislation or rendered obsolete by changed conditions.

Mr. SENN: Where did the request for this change regarding binder twine originate?

Mr. GARDINER: The provision with respect to binder twine modifies slightly the present legislation with regard to binder twine that is being salvaged following fires. There is, I might say, a proposed amendment to the section as in the bill dealing with binder twine. This has been proposed by the firm of Harold and Thompson, binder twine distributors of the city of Regina. They have gone over the legislation that is proposed and have made certain suggestions as to changes, which will be brought before the house when that section is under consideration. But I am told that the legislation itself has been considered by concerns that are handling binder twine across the country.

Mr. BAKER: Does this mean the appointment of government inspectors to inspect the sale of binder twine?

Mr. GARDINER: There are inspectors under the original act, and inspectors will be continued under this legislation.

Mr. BAKER: Will any more inspectors be appointed?

Mr. GARDINER: I do not think there will be any in addition to what we have.

Mr. BAKER: Will the minister state that definitely?

Mr. GARDINER: I shall be able to make a definite statement when we come to that section.

Mr. BAKER: I am thinking of the "machine" there is in Saskatchewan, you know.

Mr. SENN: Will this bill go before the agriculture committee?

Mr. GARDINER: If the house considers it advisable, I have no objection to its going to committee. I do not think there is anything in it that requires such action.

Resolution reported, read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 30, to regulate the inspection and sale of binder twine and salt, and to establish weight of bushel for certain commodities commonly sold by the bushel.

Motion agreed to and bill read the first time.

SHOP CARDS REGISTRATION

PROVISION FOR REGISTRATION OF DISTINCTIVE CARDS OF LABOUR UNIONS AND PREVENTING UNAUTHORIZED USE

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 22, respecting the registration of shop cards by labour unions.

He said: This is a bill to enable the registration of shop cards by labour unions with the Department of the Secretary of

State. This is not a new matter. As far back as the session of 1927, on March 25, the then minister of labour, Hon. Peter Heenan, introduced a bill to amend the Trade Mark and Design Act to permit the very same object we have in view in the present bill. But in 1932 the former secretary of state had the house adopt, under the title of the Unfair Competition Act, an act defining the wares that may be registered by trade marks, and although that measure did not positively so state, it excluded by its very operation the registration of shop cards and union labels that were not actually attached to wares.

The bill introduced by the former secretary of state and passed was the sequel to an international conference which took place at the Hague in 1925, and the bill was passed pursuant to the conclusions arrived at at that conference, where it had been expressly desired that the trade mark should apply to goods and to wares and not to any quality of work irrespective of the object or ware. The definition given in the Unfair Competition Act, 1932, of a trade mark was as follows:

"Trade mark" means a symbol which has become adapted to distinguish particular wares falling within a general category from other wares falling within the same category, and is used by any person in association with wares entering into trade or commerce for the purpose of indicating to dealers in, and/or users of such wares that they have been manufactured, sold, leased or hired by him, or that they are of a defined standard or have been produced under defined working conditions, by a defined class of persons, or in a defined territorial area, and includes any distinguishing guise capable of constituting a trade mark.

By the act of 1932, therefore, the registration of a trade mark was confined solely to wares or goods, and it made impossible any further registration of shop cards or union labels such as had been provided for by the amending bill of 1927.

Mr. BENNETT: Is not that the definition given by the international conference?

Mr. RINFRET: Yes.

Mr. BENNETT: Well, how can we depart from it?

Mr. RINFRET: That is the reason why the bill as introduced now is a different bill altogether. It provides for similar procedure, but distinct, and has nothing to do with the Unfair Competition Act, which deals strictly with trade marks as provided for at the conference to which I have just alluded.

Between 1927 and 1932, when the new act was introduced and passed, a certain number of registrations of shop cards and union labels were made. There were not a great number

of them, but it may be of interest to the house to know that in 1928 eleven such registrations took place; in 1929, five more; two in 1930, and two in 1931, a total of twenty registrations of shop cards or labels made during that period. Inasmuch as the registration is made for fifteen years, those still exist with the department. It was provided in the act of 1932 that no further registration should take place except within the meaning of the act, but it maintained the registrations that had already been entered. Section 23, subsection 1 of that act is as follows:

The register now existing under the Trade Mark and Design Act shall form part of the register maintained pursuant to this act, and, subject as hereinafter provided, all entries therein shall hereafter be governed by the provisions of this act, but shall not, if properly made under the law in force at the time they were made, be subject to be expunged or amended only because they might not properly have been made hereunder.

It will therefore be seen that the registrations entered before 1932 are still in force.

The object of introducing this bill is to meet wishes repeatedly expressed by labour unions and labour associations when they have come before the government. I shall not quote them all, but I may perhaps allude to the memorandum of legislative program presented to the cabinet by the executive council of the Trades and Labour Congress of Canada on Friday, December 18, 1936. The paragraph relating to this bill reads as follows:

Further Protection for Union Services:—At present the Unfair Competition Act protects the use of the union label, but only as far as wares are concerned. We ask extension to cover registration of shop cards, emblems and union services of whatever nature.

This request was repeated year after year by the same council when it appeared before members of the government. I quote also from a memorandum submitted to us by the All-Canadian Congress of Labour on January, 17, 1936. As regards this particular question it states:

Union Labels. While the union labels of organizations with headquarters in the United States are accepted by the customs authorities as evidence of the country of origin of merchandise imported into Canada, the amendment to the Trade Mark & Design Act in 1927 to permit the registration of union labels in Canada was virtually repealed by the Unfair Competition Act of 1932.

The new regulations under the act—both those directly prescribed by the law and those arbitrarily imposed by administrative order—make registration futile, and they consequently operate to the detriment of Canadian unions. It is therefore requested that the right to make effective registration of union labels be restored by an amendment to the Unfair Competition Act.

I may say for the sake of correction that in the memorandum the Unfair Competition Act is not mentioned; it is the Copyright Act. That, however, is evidently a mistake. It has not seemed desirable nor even possible to amend the Unfair Competition Act to meet the wishes of these labour associations, but a separate bill altogether seems preferable.

I need not say any more than that the procedure which we have foreseen is similar in every respect to the one that obtained for the registration of trade marks proper. For the reasons I have indicated it will have to be distinct, but it will be similar, and registration will take place with the Department of the Secretary of State, although it is provided in the act that that may be changed by order in council if that branch of the service should be later displaced.

When we are in committee and are considering these points one by one it will be possible to explain the bill further. Our only purpose is to meet the wishes of the labour unions and associations and to restore a condition that existed until 1932 and I believe was not done away with for any purpose except to have our trade mark act perfectly in accordance with the wishes expressed at the international conference at the Hague in 1925. Looking over the discussions which took place at the time I fail to see that there was the least desire to do away with the registration of shop cards, and I hope that this bill will meet with the approval of the house.

Mr. BENNETT: Is the minister sure that that right was taken away?

Mr. RINFRET: I know that no sustained effort has been made by any union since 1932 to register, and it is the opinion of the department that registration cannot take place at the present time. At any rate, there will be no room for doubt if we pass the bill.

Right Hon. R. B. BENNETT (Leader of the Opposition): The principle of the bill does not admit of great controversy. The statute of 1932 was one dealing with unfair competition, its purpose being to give effect to the terms of an international arrangement. I had not thought, until the minister said so, that the effect of the passing of that statute was to lessen the right to register under the Trade Mark and Design Act. If the minister says he is advised that the effect of the passage of that act, based upon the international arrangement, was to repeal the right that had theretofore existed, obviously it is the duty of this parliament to reinstate that right. Frankly, however, I should like to have had some more striking authority than that which the minister has indicated as to the right having been destroyed by the passage of the Unfair Competition Act. That is the only point I have to make at the moment.

Hon. NORMAN McL. ROGERS (Minister of Labour): This bill appears properly in the name of my colleague the Secretary of State (Mr. Rinfret), but it is concerned with a matter of particular interest to labour organizations in Canada. I should like to emphasize again what he has said, namely, that the purpose of the bill is not to create any innovation but rather to restore a privilege which was enjoyed by labour organizations under the Trade Mark and Design Act of 1927, but of which they were deprived apparently under the Unfair Competition Act of 1932.

Mr. BENNETT: How does that become apparent, may I ask?

Mr. ROGERS: The officials of the Department of Labour are advised by labour organizations that since the Unfair Competition Act of 1932 it has been possible to register union labels but not to register shop cards with reference to service unions as distinguished from unions engaged in the production of goods and wares. That is the distinction that has been made, and labour organizations have approached the government on various occasions asking that legislation of this kind be brought forward in order to remove the anomaly which apparently exists. It seemed to us that the request was a reasonable one in the circumstances and I hope that the proposals made by the Secretary of State will receive the favourable consideration of the house.

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

On section 1—Short title.

Mr. BENNETT: Now that the matter can be discussed and answers given more freely with the bill in committee, I should like to know what the authority is for the statement that the passing of the Unfair Competition Act repealed the antecedent right of registration. This matter came up on a previous occasion, I remember, the question being raised whether the complaint that the right did not exist was well founded, and I know of no refusal by any department of the public service to register as theretofore. It may be that the officials have taken the view that under the act they cannot do it. If so, that makes it quite clear. But if the right exists, the passing of this bill into a statute is merely placing upon the statute book something that is already there. I am not ex-

pressing an opinion, because I have not looked into the matter recently, but I do recall the point being made by delegations that came down and read from their brief certain grievances which they alleged they had and thought should be remedied by legislative action. My memory is that the secretary of state at the time, who was responsible for the passing through this house of the Unfair Competition Act, based upon the international convention of 1925, did not wholly agree with that view. Whether or not his view extends to the point of indicating that the statute is broad enough to cover it, I cannot say; but I am always reluctant to see a bill placed upon the statute book if there is already ample provision to meet the situation.

If the minister says that the law officers advise that this bill is necessary, then there should be no difficulty in dealing with the matter promptly.

Mr. RINFRET: The authority, in the first place, is the Unfair Competition Act of 1932 itself. The definition of trade mark in paragraph (m) of section 2 says very clearly—I read it a moment ago, but perhaps I read it too fast—

Mr. BENNETT: I followed it.

Mr. RINFRET: It defines trade mark as follows:

> (m) "Trade mark" means a symbol which has become adapted to distinguish particular wares falling within a general category from other wares falling within the same category, and is used by any person in association with wares entering into trade or commerce—

And so on. I think it is quite plain that it has always been so interpreted in the department, that that definition means an object. For example, we will register a union label of a printing office because it is printed on paper, and therefore there is an object which can come within the definition of this act. Section 23, which I have also quoted, plainly states that from that time a certain category of trade marks may still be registered but others cannot. The intention evidently was to exclude from further registration, marks of a certain category, and these in my opinion were shop cards and labels which did not fall within the definition of section 2. That is what the act says.

As regards further authority, it is the experience of the department that ever since 1932 not one registration has taken place. It has been the constant interpretation of the act by my predecessor who put through the act in 1932, up to 1935, and by my officers since I resumed office in the Department of the Secretary of State, that we could not register any trade mark or sign which is not in the form of an object or a piece of goods.

I may assure my right hon. friend that this bill has been recommended by the law officers of the departments interested, both of labour and of the secretary of state, because it was found absolutely necessary, if registration of shop cards was desired, that legislation of this kind be enacted. But I am willing to admit without discussion that it may not have been at all the intention of the former government to bring about any such condition of affairs as now exists. We are not trying in the least to do anything but provide for registration of shop cards, which as I say has not taken place since 1932.

Mr. FACTOR: Several representations were made to me by labour unions in Toronto in reference to this matter. As I understand the situation, under the present Unfair Competition Act, with respect to goods manufactured, trade marks can be registered, but trade marks with respect to services rendered by labour unions which have their own particular design for an individual union would not be accepted by the department. I was told that under the former trade mark and design act—I have not been able to verify it—a union could register a trade mark or shop card designating its services rendered, but under the present act that right was taken away. This bill, as I read it, merely restores the right which formerly existed, giving to every union which has a specific design for work performed by it the right to register that design.

The only criticism I have, if it can be called a criticism, is that under the section of the Unfair Competition Act it says in respect of goods that they have been manufactured under a definite standard and definite working conditions. I would ask the minister whether on an application for registration of a shop card the department will inquire as to working conditions prevailing in that union before registration, or will mere application by a labour union as defined in section 2 entitle the union to register its shop card? A trade mark in the usual sense of the term denotes registration of a specific article which is manufactured under certain working conditions and to a certain standard. Under this bill, will any group of men organizing themselves into a union to deal with their employers be entitled to registration of their shop card without the department being satisfied that the working and labour conditions in that trade are satisfactory? It may be of course that the constitutional element again comes into play, that the federal de-

partment has no jurisdiction to inquire into labour conditions; but perhaps the minister will clear this point up for me.

Mr. RINFRET: I think I can reply at once that there is no doubt that a labour union, merely by observing the conditions of the bill, could obtain registration of their shop card. We should have to be satisfied in the first place that they are a labour union, and that of course would come under the Labour department.

Mr. WALSH: Does the minister anticipate any difficulty in the case of a shop where two or more labour unions might be concerned, each desiring to register its own particular design or card?

Mr. ROGERS: A shop card will not be exhibited except with the consent of the proprietor; therefore it would be a matter for the proprietor to determine whether or not in the situation mentioned by the hon. member it was desirable that the shop cards of both unions should be exhibited, or none. There is nothing of a coercive nature in the bill.

Mr. WALSH: The proprietor might, if he so desired, refuse to accept any?

Mr. ROGERS: Yes.

Mr. WALSH: He might also be put in a position of being prejudiced in favour of one union or another.

Mr. ROGERS: If it caused him inconvenience undoubtedly he would change the practice.

Mr. BENNETT: It might be well to observe that in the Unfair Competition Act there was a definition also of design mark. There were three definitions; first, of design mark, second, of word mark, and third, of trade mark. The word "trade mark" is defined by the statute as was read by the minister. "Design mark" is defined as follows:

(c) "Design mark" means a trade mark consisting of an arbitrary and in itself meaningless mark or design, or of a representation of some object or objects, or of letters or numerals in series or otherwise, or of a combination of two or more of the foregoing elements, and depending for its distinctiveness upon its form and colour, or upon the form, arrangement or colour of its several parts, independently of any idea or sound capable of being suggested by the particular sequence of the letters and/or numerals, if any, forming part thereof, or by their separation into groups, and includes any distinguishing guise capable of constituting a trade mark;

That is, capable of constituting it, of being made into a trade mark. Then there is a definition of "distinguishing guise", and lastly there is a definition of "word mark":

(o) "Word mark" means a trade mark consisting only of a series of letters and/or numerals and depending for its distinctiveness upon the idea or sound suggested by the sequence of the letters and/or numerals and their separation into groups, independently of the form of the letters or numerals severally or as a series.

The language of the new bill limits this shop card very greatly. If the minister will be good enough to observe, the word "shop card" means:

. . . any design, emblem, figure, sign, seal, stamp, ticket, device or other form of advertisement adopted by a labour union.

This is not a question of trade mark; it is a question of advertisement. I think the clause of the statute is broad enough, so far as the statute of 1932 is concerned, to permit of the registration of a design mark, but it is quite clear that this is not dealing with a trade mark, or design mark, or word mark. A shop card deals with only one thing—advertisement.

Paragraph (e) of subsection 2, which I am reading in connection with the definition, says that a shop card means any other form of advertising adopted by a labour union. This is the definition of an advertisement.

Mr. ROGERS: Or identification.

Mr. BENNETT: It does not say that.

Mr. ROGERS: An emblem.

Mr. BENNETT: It does not say anything about identification here. It talks about it purely as an advertisement. That is the reason I read the two definitions. It says:

"Shop card" means any design, emblem, figure, sign, seal, stamp, ticket, device or other form of advertisement adopted by a labour union.

And that is registerable. As what is it registerable?—A trade mark, design mark or word mark. The definition refers to a stamp, ticket, or device. This does not cover a combination of words, unless they are worked into a sign or symbol of some sort. Obviously the governing words are "form of advertisement." I repeat that my difficulty is how to show that this is not covered by the language of the statute—because this never was a trade mark. We must remember that we have an international convention on the word "trade mark" by which we are bound. The first conference took place in 1883. Then there was a revision in 1900, followed by the Washington conference of 1914 and the Hague conference of 1925.

The word "trade mark" as used in international law and as used by us now is defined by international agreement or understanding. This is not a trade mark.

Mr. ROGERS: It is restricted to wares, as well.

Mr. BENNETT: Yes, because the very essence of it implies that it should be. Let us not confuse the terms; I entreat the minister not to confuse a shop card with a trade mark.

Mr. FACTOR: It was so interpreted.

Mr. BENNETT: They have no relation, one to the other.

Mr. FACTOR: It was so interpreted in the former act.

Mr. BENNETT: No; if the hon. member will take the trouble to look it up he will find that is not so. They were registered under it. The question of a union label is something attached to wares. The Minister of Labour has properly pointed out the underlying principle. It is attached to a commodity; the word "wares" is used in the statute. When those words are attached to the commodity it then, by international agreement, may be designated a trade mark. But a shop card, which is defined in this measure as an advertisement, could never be, under any form, made into a trade mark.

Mr. RINFRET: I agree with my right hon. friend to a certain extent. That is the reason we have a distinct bill to deal with shop cards—because they are not trade marks.

Mr. BENNETT: I am making another point, altogether.

Mr. ROGERS: I think I may be able to satisfy the right hon. leader of the opposition on the point he raised a moment ago. Actually in the legislation of 1927 there is specific reference to a union label.

Mr. BENNETT: Yes, and that is preserved in the Unfair Competition Act.

Mr. ROGERS: I doubt if it is.

Mr. BENNETT: Well, here is the section—

Mr. ROGERS: May I continue: Union label is so defined:

> Any mark, term, design, emblem, figure, sign, seal, stamp, diagram, ticket, device or form of advertisement, adopted by a labour union.

Mr. DUNNING: That is in the old law.

Mr. ROGERS: It is in the legislation of 1927. It so happens that the Unfair Competition Act, in addition to defining "trade mark" as applying exclusively to wares, goes farther than that and repeals certain sections of the previous legislation, including the section which gives the definition to which I have referred. Therefore we were in this position, that under the Unfair Competition Act one could register union labels as applied to wares, but one could not register a shop card which had relation solely to a service union.

Mr. BENNETT: Section 61 of the Unfair Competition Act, which is the repealing section, reads:

> (1) Any application for the registration of a trade mark received by the registrar at any time before the expiration of a month from the day upon which this act comes into force shall be dealt with in accordance with the provisions of the Trade Mark and Design Act, and registrations made pursuant to such applications shall for the purposes of this act be deemed to have been on the register at the date upon which this act comes in force.

Mr. ROGERS: New registrations.

Mr. BENNETT: Yes. But subsection 2 says:

> (2) Subject as aforesaid, sections three, four to twenty-one inclusive, twenty-three and fifty-three of the said act are repealed and sections forty-two to fifty-two inclusive are amended—

Not struck out.

> —by striking therefrom the words "trade mark" and "trade marks" and any other words exclusively relating to the said words.
>
> (3) For the purpose of sections twenty-two, twenty-four and twenty-five of the said act the expression "union label" shall mean a registered trade mark adopted for the purpose of indicating that the wares bearing it have been produced under defined working conditions or by a defined class of persons.

And then, section 62:

> 62. This act shall come into force on the first day of September, 1932.

I think the significance of that makes it quite clear what the purport of the act is. The word "trade mark" in some cases is used in the sense of an adjective, if I may use the term, as describing a mark of a trade. The union label is preserved by subsection 3 of section 60 of the Unfair Competition Act. But the words "design mark" and "word mark" are given a definition in this statute, which was arrived at after conference with all the nations of the world.

The minister makes it perfectly clear that the explanatory note is, I submit with deference, based upon an entire misconception of the situation, for the word "trade mark" is a word which is defined by international arrangement, and has the meaning given to it in the statute which we passed based on international agreement. I think no hon. member will suggest that the word "trade mark" can be applied to an advertisement. One might copyright an advertisement, but it is obvious that he cannot trade mark it, for the reason given by the minister a moment ago. The essence of trade marks is something else, as the statute makes clear.

Needless to say I am wholly in accord with the provision of the statute with respect to the question of registration, but it does not touch trade marks at all. To introduce a section of the act of 1932 defining a trade mark for the purpose of saying that it excluded something else is an entirely false argument. It leads to a wrong conclusion.

Mr. DUNNING: In practice, that is what happened.

Mr. BENNETT: No.

Mr. DUNNING: Ever since 1932.

Mr. BENNETT: The word "trade mark" never applied to shop cards.

Mr. ROGERS: The act of 1932 repealed the definition section of the act of 1927 which gave a wider scope to the term "union label."

Mr. BENNETT: Following the last preceding meeting at Washington the view with respect to many matters was modified. As far as I remember, that was done in 1925, before I came back to this house. I cannot for a moment permit myself to give adhesion to the view that you can by any flight of fancy designate an advertisement as a trade mark.

Mr. DUNNING: The bill does not do that.

Mr. BENNETT: No, but the explanation upon which it is based is founded on that misconception. That is the point exactly.

Mr. FACTOR: Subsection 2 of section 5 of the act of 1927 reads as follows:

> Any union label heretofore or hereafter adopted by any labour union to designate, make known, or distinguish any goods, wares, merchandise, or product of labour, wholly or partly manufactured, produced, or prepared by the labour of such union, or of any member or members thereof, may be registered for the exclusive use of such labour union in the manner herein provided; and the said union shall, for the purpose of this act, be considered the proprietor of such union label.

The definition of union label is as mentioned by the Minister of Labour. The Unfair Competition Act repealed that section 5.

Mr. BENNETT: The Unfair Competition Act preserves the rights of the holders of union labels in terms.

Mr. FACTOR: Quite so.

Mr. BENNETT: Is not that the language?

Mr. FACTOR: But it does repeal the section.

Mr. BENNETT: It repeals the section in every other respect but it preserves the right of the holders of labels in terms.

Mr. ROGERS: Trade marks only. I really think that is the explanation. Under the Unfair Competition Act one could not do otherwise than define a trade mark as something applying exclusively to wares, as the right hon. gentleman has just said. Some time after this legislation came into effect it was realized by the labour organizations that it was restrictive in character, consequently applications were made for the registration of shop cards as distinguished from union labels. The whole purpose of the legislation now before the committee is to correct that inadvertent omission.

Mr. BENNETT: It is not a question of inadvertence; the question goes deeper than that. The question is whether the basis upon which this is predicated has any foundation. There never was a time when a shop card was a trade mark.

Mr. ROGERS: It came under the provisions of the act of 1927.

Mr. BENNETT: Which was predicated upon the treaty of Washington and not upon the findings of the Hague tribunal which gave a new definition to the word "trade mark."

Mr. ROGERS: There is no reference in the act of 1927 to the treaty of Washington.

Mr. BENNETT: No.

Mr. ROGERS: The Unfair Competition Act of 1932 refers to the international convention.

Mr. RINFRET: The leader of the opposition has just read the repealed section of the 1932 act. Subsection 3 reads:

> For the purpose of sections twenty-two, twenty-four and twenty-five of the said act the expression "union label" shall mean a registered trade mark adopted for the purpose of indicating that the wares bearing it have been produced under defined working conditions or by a defined class of persons.

If you turn to sections 22, 24 and 25 you will find that they deal with registration. There is no doubt in my mind that the act of 1932 rendered inoperative any registration of union labels which did not apply to wares, but I want to make it plain that I do not consider for one moment that it was done for that purpose. Experience has shown us from year to year that unless a bill such as this is adopted it will not be possible to register shop cards.

Mr. TAYLOR (Nanaimo): Are not shop cards symbols of identification rather than forms of advertising?

Mr. ROGERS: I should say they are symbols of identification used for purposes of advertising.

Mr. STEWART: Under the section of the former act which the hon. member for Spadina read it would seem to be quite clear that a union label was attached to goods or wares and as such perhaps might be considered to be a trade mark. However, a shop card is not attached to wares.

Mr. ROGERS: They were registered under the provisions of the previous act.

Mr. STEWART: I do not care about the registration. The hon. member for Spadina was referring to a label attached to wares.

Mr. FACTOR: This act does not make a shop card a trade mark.

Mr. STEWART: It would not be a trade mark. It seems to me that this is new legislation.

Mr. DUNNING: It distinguishes them.

Mr. STEWART: It is not attached to wares and merchandise at all, so it cannot be a trade mark within the definition of trade mark.

Mr. DUNNING: I cannot go into the legal niceties of the matter, but from the standpoint of practical administration, it is a fact that the department and the unions concerned have considered, doubtless on sound legal advice, that since 1932 they could not obtain registration of their shop cards.

Mr. BENNETT: As what?

Mr. RINFRET: As such.

Mr. DUNNING: As such. Repeated requests have reached the government to permit some form of registration of shop cards. This bill does not attempt to define a shop card as anything but a shop card.

Mr. BENNETT: As an advertisement.

Mr. DUNNING: It provides the machinery for the registration of what are definitely known as shop cards that will be used for the purposes that shop cards are used for in the general acceptation of the term, for advertising if you like.

Mr. BENNETT: It says advertisement in the bill.

Mr. DUNNING: That is mentioned in the bill. I do not think any harm can be done by passing this bill. It will clear up what those concerned have deemed to be a disadvantage under which they have been labouring since 1932.

Mr. HEAPS: In a sense they may be advertisements, but quite often they are more than that. A union label cannot always be attached to union wares. For instance, you could not attach a union label to a union hair-cut or a union shave.

Mr. STEWART: Hair is not wares.

Mr. HEAPS: When you go into a union barber shop you do so in the expectation of getting a union hair-cut or a union shave, but there have been instances where fake cards have been displayed in shops. People have gone into these shops and have thought they were getting union wares or union services. If this bill is allowed to pass, practices of that kind will be obviated. Under the present legislation there is no way of getting after people who display these fake advertisements or fake union cards. This legislation was asked for, I believe, in the last submission of the Trades and Labor Congress.

Mr. ROGERS: In 1936.

Mr. HEAPS: And in 1937.

Mr. ROGERS: Yes, it was repeated in 1937.

Mr. HEAPS: I do not think there is much danger in legislation of this kind going on the statute book.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Application for registration.

Mr. BENNETT: Will the minister give us some assurance that this will not necessitate the appointment of a new official, but that the same registrar will discharge the duties?

Mr. RINFRET: I would say that the duties can well be carried out by the present staff.

Section agreed to.

On section 5—Grounds for refusing registration.

Mr. STIRLING: The minister has stated repeatedly that no registration has taken place since 1932. Can he say that no application has been made and refused since then?

Mr. RINFRET: I could not at the moment give a positive answer to that. I know that applications have been made to the department seeking information and otherwise.

Mr. FACTOR: Personally I do not like paragraph (e), which says:

> If, in the opinion of the minister, the registration of the shop card is otherwise on public grounds objectionable.

That leaves it entirely open to the minister—he knows I am not speaking in any personal way—to discriminate between one applicant and another. It does not specify the public grounds on which it might be ob-

jectionable, but just says "on public grounds." Now "public grounds" is a very elastic term. As the minister knows, there are at the present time and under present conditions rival unions in almost every municipality, and under this section the minister may grant the application of one union and say that he considers the granting of an application from another union objectionable on public grounds. Will he enlighten me on paragraph (e)?

Mr. BENNETT: Before the minister answers, I was going to draw the attention of the committee to the provisions of the Unfair Competition Act to meet the point the hon. member for Spadina has mentioned. I regard that as being unsound legislation, and I agree with what the hon. member for Spadina has said. In the Unfair Competition Act it is provided:

(1) Upon the refusal of the registrar to grant, wholly or in part, any application authorized by this act to be made to him, the applicant may appeal from such refusal to the Exchequer Court of Canada within sixty days from the date upon which notice of the decision was despatched to him by the registrar or within such further time as the court may allow, either before or after the expiry of the sixty days aforesaid.

(2) Notice of such appeal shall within the time limited as aforesaid be filed with the registrar and with the registrar of the Exchequer Court of Canada and a like notice shall within such time be given by registered mail to such persons as may appear from the register to be the owners of any trade marks which have been referred to by the registrar in the decision complained of.

Then subsection 3 deals with public notice by advertisement of the hearing of the appeal, and subsection 4 with abandonment of the appeal.

I wholly agree with the hon. member for Spadina that it is not fair to the minister himself to be placed in the position where he has to decide that a particular application is unsound on public grounds. There should be the right, as there is with respect to trade marks, of appeal to the exchequer court, and I suggest that an amendment be prepared to give a similar right of appeal in matters that arise under this act, to that given in like matters that arise under the Unfair Competition Act. I do not think the suggestion is an unfair one.

Mr. DUNNING: A case came to my attention last year which would be covered by paragraph (e), if it is allowed to remain; but if it does not remain some form of words would be required other than those suggested by the right hon. leader of the opposition to deal with the matter. It was the case of a union publishing a card which contained material reflecting on another union. I suggest that such an application could not very well be refused by the minister under paragraphs (a), (b), (c), or (d) but could be under (e), as being objectionable on public grounds. I think members of the committee are aware of instances in which that sort of thing has been done. While I sympathize with the removal of this responsibility from the minister—and perhaps the bill may be left in committee for consideration of that point—I think there should be some means of avoiding registration of cards which contain material critical or misrepresentative of another union.

Mr. HEAPS: Has the minister not the right to refuse in such cases now?

Mr. DUNNING: I do not know of its being covered by anything else.

Mr. BENNETT: It is covered by paragraph (e).

Mr. DUNNING: Oh, you would leave that in?

Mr. BENNETT: Yes, I certainly think that should be there. The Minister of Finance did not follow me.

Mr. DUNNING: The right hon. gentleman was supporting the hon. member for Spadina, who wanted that paragraph left out.

Mr. BENNETT: I say that paragraph (e) should remain, but with the right of appeal, because there are many cases in which it might be very desirable to have it.

Mr. RINFRET: Perhaps we might pass section 5 and agree to let the bill stand in committee to consider that point. An appeal is provided for in another part of the bill dealing with cancellation, and the two might be considered together.

Mr. BENNETT: As a matter of fact that part was taken from the Unfair Competition Act, but the sections that give the right of appeal against the minister's exercise of his discretion do not appear here. It might be well to combine the two so that there would be the right of appeal not only in the case of the minister's refusal to grant the application but with respect to cancellation as well.

Mr. RINFRET: I might say that my experience in the administration of other acts makes that suggestion quite welcome.

Section agreed to.

Sections 6 to 10 inclusive agreed to.

On section 11—Certificate to be received as prima facie evidence.

Mr. BENNETT: Would it not be better, Mr. Chairman, to read the headings of the

subsections instead of taking the whole section at once? The rules require the sections to be read. No one wishes to put the chairman to that inconvenience, but I think it might be well to call the headings of the subsections.

The DEPUTY CHAIRMAN: I have been doing that fairly well throughout.

Section agreed to.

Section 12 agreed to.

Mr. RINFRET: I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again.

Mr. BENNETT: The motion is not debatable, of course, but just before it is put, may I point out that section 12 so grievously contravenes Liberal doctrine that it is hardly thinkable it should be here. It confers upon the executive the power to make rules and regulations and to determine what fees shall be paid. It goes so far as to deal with questions of finance and revenue. I expected to hear the minister who sits for a Vancouver riding raise his voice in humble entreaty against such abuse of executive power.

Mr. DUNNING: The motion is not debatable; we cannot reply.

Mr. BENNETT: Quite.

Progress reported.

CANADA SHIPPING ACT, 1934

SICK MARINERS AND MARINE HOSPITALS—LEVY, COLLECTION AND REMISSION OF SHIP DUES

Hon. C. G. POWER (Minister of Pensions and National Health) moved the second reading of Bill No. 23, to amend part V of the Canada Shipping Act, 1934.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston (Lake Centre) in the Chair.

On section 1—Duty on all vessels unless exempted.

Mr. POWER: This section provides a clarification of existing legislation. The clause amended has been rewritten because it gives rise to certain confusion in the minds of the officers who are administering it.

Mr. BENNETT: There is no change, as I understand, in the amount of money to be collected?

Mr. POWER: No.

Mr. BENNETT: It is only a question of clarifying the conditions under which the payments shall be made?

Mr. POWER: Exactly. Perhaps I had better explain paragraph (c). There is less money to be collected; I do not want to lead my right hon. friend into error. Under the former act, under the definition of "vessel," a scow was included, but under this bill a scow which carries no crew will not have to pay sick mariners' fees.

Mr. KINLEY: With regard to clause (b), will the minister explain wherein the amending clause changes the existing law?

Mr. POWER: It really exempts certain ships. Owing to the definition of the word "voyage" which was contained in the old act, a vessel coming to Canada and unloading its cargo at, let us say, Three Rivers, finishing its voyage at that place and then going on to Montreal to take on a new cargo and start a new voyage, would have been obliged to pay dues twice. Now it will be considered that the term "voyage" will cover not only the discharging of the cargo at Three Rivers, but the taking on of a new cargo at Montreal.

Mr. BENNETT: A ship pays once with respect to each arrival in Canada?

Mr. POWER: Yes.

Mr. KINLEY: That is all very well with regard to a ship that is on schedule. But if the minister will look at the amendment he will find it imposes this obligation, that the ship "is returning or proceeding immediately to a place out of Canada." The old act reads that "the ship is a ship which came from a place out of Canada and has paid dues on the same voyage in a previous port of call in Canada." Suppose a ship returns to Canada and comes to Halifax. She unloads part of her cargo and goes to Lunenburg. She is not on schedule, but is laid up, looking for cargo; that vessel must pay a second time according to the amendment, although under the old law she would not have to pay.

Mr. POWER: She would not pay a second time unless she started a new voyage. She would not pay again if she went to Lunenburg to lay up.

Mr. KINLEY: I think so. "A ship which came from and is returning or proceeding immediately to a place out of Canada." A ship is not returning to a place out of Canada unless she has a charter party or is on schedule. The example I have suggested is that of a ship which returns to Canada, comes to a home port, and may be laid up in port, and for that reason is obliged to pay dues the second time.

Mr. POWER: I do not think the hon. member's interpretation is correct. If the ship came to Lunenburg and from there proceeded to engage in the coasting trade, mariners' dues would be exacted. That, I believe, has

been the custom; perhaps it will be clearer under the present legislation. If a vessel comes from a transatlantic port to Canada, and, finishing its voyage in Canada, discharging its cargo, undertakes to engage in the coasting trade, even though it remains in the same province and goes from Halifax to Lunenburg, Lunenburg to Sydney, etc., it will pay duty three times during the one season. But that is the present custom; there is no change so far as that is concerned. The object of this amendment is to exempt certain vessels from this duty, not to increase its application.

Mr. KINLEY: I am glad to hear the minister's explanation; that is what I am really interested in. But I am bound to say that this underlined portion which states "a ship which came from and is returning or proceeding immediately to a place out of Canada" does, it seems to me, impose a responsibility on the ship of proceeding on another foreign voyage immediately, and if the vessel is out of charter or is not on schedule it seems to me she is obligated to pay dues a second time.

Mr. POWER: Unless the ship was engaged in trading in the second port she would not be obliged to.

Mr. KINLEY: It is all right, if you say that.

Mr. BENNETT: The difficulty of the hon. member for Queens-Lunenburg is with the word "immediately." The case as put is this. A ship comes from Liverpool to Lunenburg, and if she returns from Lunenburg to Southampton, she has paid dues once and that is the end of it. If, leaving Lunenburg, she goes down to Shelburne and proceeds abroad from there, it is understood she pays dues only once, and this is to protect her against having to pay them twice. I apprehend that the difficulty—and I think there is some force in the point made by the hon. member—is in the word "immediately," because it is said that the ship has now come from Liverpool to Lunenburg and she returns to Southampton, a port out of Canada, or she proceeds "immediately" to a place out of Canada: the proceeding "immediately" to a place out of Canada does make it a little difficult.

Mr. POWER: But no vessels pay duty when they proceed from one port within a province to another port within a province unless they are engaged in the coasting trade.

Mr. BENNETT: Quite. There is no doubt about that. I was thinking of some form of words other than "immediately."

Mr. DUNNING: The following words qualify it.

Mr. STEWART: Supposing the ship to which the leader of the opposition has referred were to be laid up in Halifax for six months and then go out to Southampton, would she have to pay twice?

Mr. DUNNING: No; she has paid duty "since arrival in a previous port of call in Canada."

Mr. KINLEY: Read the previous clause with it.

Mr. DUNNING: The previous section deals entirely with coasting trade.

Mr. POWER: Perhaps I may make it clear if I explain to the committee just what vessels do pay and when they pay.

1. Compulsory payment by vessels from foreign ports entering maritime ports of Canada and ports in Manitoba and Ontario on Hudson and James bay.

2. All vessels engaged in the coasting trade of Canada which ply between maritime provinces.

3. All vessels engaged in the coasting trade of Canada which have made one payment. A vessel must complete the three payments at the next two succeeding ports if it is engaged in the coasting trade.

Of course, all hon. members who have any knowledge of the maritime provinces know that fishing vessels may pay prior to undertaking the first fishing voyage of the calendar year, provided they are registered.

Mr. KINLEY: And get the benefit.

Mr. POWER: Yes.

Mr. KINLEY: If a vessel, coming from outside Canada, calls at Yarmouth, say, for the purpose of discharging cargo or in order to get away from the weather, and then goes to Lunenburg, payment is made at Yarmouth and she is exempt when she goes to Lunenburg. Under the new law, if she goes to Lunenburg and proceeds immediately to a place outside Canada she does not have to pay, but if that condition does not exist she does have to pay.

Mr. DUNNING: The qualifying words follow. She has paid a duty since arrival in a previous port of call.

Mr. KINLEY: Yes, she paid when she came to Yarmouth; but when she goes to Lunenburg the customs officer demands payment again. If the ship is leaving Canada immediately the ship is exempt; otherwise it must pay.

Mr. POWER: No, because she would not be engaged in the coasting trade of Canada. Under subsection 12 of section 2 of the act, the coasting trade of Canada includes carriage by water of goods or passengers from one port or place in Canada to another. In the instance the hon. gentleman has mentioned by way of illustration, the vessel is not carrying goods or passengers from one port or place to another, but is simply calling at a port for the purpose of laying up.

Mr. HEAPS: How much money is collected under the present act?

Mr. POWER: During the calendar year 1936 the following fees were paid: total vessels paying dues, 3,295; total crews, 82,803; total dues collected, $208,449.88; total expenditure, $160,279.66.

Section agreed to.

Bill reported, read the third time and passed.

OPIUM AND NARCOTIC DRUG ACT

Hon. C. G. POWER (Minister of Pensions and National Health) moved the second reading of Bill No. 24, to amend the Opium and Narcotic Drug Act, 1929.

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

On section 1—Licences.

Mr. MacNICOL: This section refers to production, and I suppose that means of opium or any other narcotic drug or any weed, for instance, which may be grown in Canada. I have heard a rumour that some such weed is being grown in this country and is being used in the form of cigarettes which have a more or less harmful effect. I have been told also that the experimental farm is engaged in some production along that line. I do not know whether it is so, but the minister will no doubt be able to inform us. If a weed of this kind is being grown in Canada there must be some source from which the seeds are obtained and a record of the extent of land under cultivation. Can the minister give us any information as to how much of this weed is being produced and what it is being used for?

Mr. POWER: This particular section refers to the production of any drug; but since the proposed amendments deal to a considerable extent with the attempt which is being made by the department to control what, though it cannot be called a new drug, is a new menace to the youth of the country, perhaps I had better make some observations with respect to the weed that is known as marihuana. This is by no means a new drug; it was known as far back as the days of Homer.

Mr. BENNETT: Is that the reason Homer nodded?

Mr. POWER: No; on the contrary, the effect is not to make people nod; it is exceedingly stimulating. It is probably the reason why there was an attack on Troy.

Mr. MacNICOL: Is its production a new thing in Canada?

Mr. POWER: Perhaps it might be well to give an idea what it is. In the old days it was known as hashish, and it has a dozen different names throughout the East. Our modern word "assassin" comes from the name given to the people who were first known to have used it, the assassins, in the early days of Christianity, and the use of the drug has spread throughout the world, the eastern world particularly. It came to us through the United States from Mexico, where it is known as marihuana. It is known scientifically under the name of cannabis sativa. It grows wild in certain countries, generally speaking in temperate climates. It is used in windbreaks in western Canada, the leaves being the portion which, when made into something resembling tobacco, is extremely dangerous if smoked. It is made into cigarettes that resemble tobacco cigarettes and is peddled around largely to the youth of the country. The United States government has taken an extremely serious view of it, and is now endeavouring by federal legislation to control its cultivation, manufacture and sale.

In these amendments we are asking that the production and also the cultivation be prohibited. My hon. friend asked if there had been any cultivation in Canada. I find there has been no cultivation for commercial purposes, although it is grown at Emerson, Manitoba, and was found on a vacant lot in Calgary. Certain of our European immigrants have been using it for extracting an oil to be used as a substitute for fat. There was a certain area cropped at the central experimental farm in Ottawa, and another area at a substation near Montreal.

Mr. PELLETIER: Will the minister tell us to what extent it has been used in Canada to the knowledge of the department, as an illicit drug?

Mr. POWER: My information is that since 1932 we have had twenty-eight convictions for the possession of this drug. But the im-

portance of endeavouring to control it is that it is about the only habit forming drug which is produced in Canada. In any other case our efforts are confined to keeping the drug out of Canada; but here is something growing right in our own country, and it is extremely difficult to control unless authority is given to the department to control the production and cultivation also.

Mr. PELLETIER: The word "production" necessarily conveys the idea that it is being produced in Canada. I was wondering to what extent.

Mr. POWER: Up to the present time that used in the traffic has. as far as we know, been imported. It usually crosses the border through Windsor. But there is nothing to prevent anybody from going into the business here.

Mr. PELLETIER: This is a sort of preventive measure.

Mr. McCANN: The purpose of the legislation is, I understand. to control the production of this extremely deleterious drug. While control of production may have far-reaching effects and do a great deal of good, I should like to ask the minister whether any attempt is being made or contemplated to eradicate the plant as a weed. It appears to me we shall not achieve the purpose for which this legislation is intended if we control only the production, while at the same time the plant from which the drug is made grows wild as a weed and may be gathered by those who recognize it and make it into tobacco form.

Mr. POWER: Under section 3 of the bill we are taking power to control the cultivation and also the gathering and production. We are endeavouring to find out where it grows. So far we have located it in certain parts of Canada, and I suppose by education we shall try to impress on the people of Canada the evil results from its use. Once we have this authority, whenever we find it we shall be able to prevent the cultivation of it.

Mr. McCANN: Does the bill make provision for a penalty for those having it in their possession?

Mr. POWER: That is already in the act.

Mr. BROOKS: Are there any good purposes to which this weed can be put? I am very much interested in the minister's remarks. I happened to read the other day a report of H. F. Anslinger, United States Commissioner of Narcotics; he calls this drug the assassin of youth, and states that it is one of the greatest menaces which has ever struck that country. It seems to me that very severe penalties should be imposed for the production or sale of this drug. The eradication of it is certainly necessary. If there are no good purposes to which it can be put, I do not see why licences should be granted; rather steps should be taken to eradicate it entirely, because it is something that could undermine the youth of the country.

Mr. POWER: The penalty is fairly severe, seven years' imprisonment and the lash. With respect to uses to which it can be put, I have before me extracts from the evidence given at the sittings of the committee of the house of representatives at Washington. It says:

> Hemp is cultivated for three purposes, (1) for the fibre, out of which rope, twine, cloth and hats are made, (2) for the seed, from which a rapidly drying oil is obtained as a commercial substitute for linseed oil, and (3) for the narcotic contained in the resin of the dried flowering tops of the pistillate plant. The seed is also sold as a constituent of commercial bird seed.
>
> I want to make a distinction between these two, the hemp plant and the plant that provides the fibre for rope making. There is no connection whatever. All our ropes are made from hard fibres and have been ever since the sixties. These fibres are produced only in the tropics, while the hemp plant that produces soft fibre or the marihuana occurs only in temperate climates for fibre production. Marihuana hemp is used for commercial twines, such as bookbinders twine, hatters twine for sewing hats, and it was formerly used for what was called express twine or heavy twine.

Mr. BENNETT: I hoped that the minister would say that he would prohibit the production for commercial purposes, not issue a licence. To issue a licence involves recognition of the production. In view of the very serious situation to which attention has been directed, I think the proper course would be that the minister be authorized to take steps to prohibit production in commercial quantities. I do not think we could contemplate its production at all if it is half as bad as has been stated. I do not believe the situation is very bad yet in this country but certainly the reports indicate that it is very serious in the United States. If that report of the investigation is to be taken as a correct statement, should we not face the problem at once and say that we shall eradicate its production for commercial purposes?

Mr. POWER: There is some difficulty. Since the bill was introduced I have been informed that in certain sections of the country some farmers had gone in for the cultivation of this plant, and in fact, as my right hon. friend knows, during the war the Canadian government at the instance of the British government actually encouraged the growing of hemp, and though I understand it was not successfully grown in this country, whatever

was grown was not used in the making of rope or twine. I am informed that far the greater part went into upholstery, and a great deal was wasted. But the fact remains that we have in this country, I am informed, a number of farmers who have gone into the cultivation of this and have bought machinery to gather it, and perhaps some hardship would be caused to them if growing it were prohibited. But it is the intention of the department, unless very strong reason is shown, not to issue any licences.

Mr. BENNETT: I thought the minister would say that it was not proposed to issue licences. But with great respect I say that begs the question of the destruction of the plant and the prohibition of its production for commercial purposes.

Mr. BROOKS: How is the United States handling the situation? In the report I have before me I note that in New York state, for instance, 200 acres of growing plants were destroyed by the authorities. In Louisiana the officials made a raid in which 500,000 plants were destroyed. It seems to me that evidently they are trying to eradicate the plant altogether.

Mr. POWER: In the United States they have a provision similar to this one. They found that it was impossible to enforce total prohibition at once, but they are administering by means of licences. I may say the bill came into force only on October 1, 1937. The latest reports I have from the United States are to the effect that total seizures of marihuana in that country during 1937 amounted to 98,000 pounds of growing plants and 667 pounds of bulk marihuana. This was taken from 1,909 acres. Between October 1, 1937, when the United States federal law came into effect, and December 31 of that year, seizures by federal officials involved 1,000 pounds of growing plants and 452 pounds of bulk marihuana.

Mr. BENNETT: Of growing plants?

Mr. POWER: Yes.

Mr. BROOKS: A thousand pounds?

Mr. POWER: Yes.

Mr. BROOKS: It must have been a hundred tons.

Mr. BENNETT: No; there are only forty-nine tons altogether.

Mr. POWER: That is in the three months since October 1.

Mr. BENNETT: The plants are being seized?

[Mr. Power.]

Mr. POWER: Yes, they are seizing the plants.

Mr. BENNETT: We could not seize them.

Mr. POWER: But we will, under the section.

Mr. MacNICOL: Is the same drug extracted from hemp? It seems to me that the experimental farm officials have announced that that is so.

Mr. POWER: The experimental farm has been growing the plant for the stalk. The stalk is innocuous, but the flowering tops and the leaves are dangerous. In that state they sell for as much as $20 per pound. I have no doubt it would be possible to control cultivation, even under another government.

Mr. MacNICOL: But is not this weed or drug extracted from hemp?

Mr. POWER: The plant itself is known as hemp. As I understand it, the process is not complicated. The leaves are simply chopped and made into a kind of tobacco, which is dried. That is all there is to it, unless there is some process of extraction, with which I am not familiar, to make it still stronger. But it can be used as a habit forming drug by simply drying and powdering the leaves.

Mr. MacNICOL: What does the experimental farm do with the leaves it produces?

Mr. POWER: This year they were left on the ground and ploughed in. The marihuana menace has been drawn to the attention of the people in Canada and the United States only within the last three or four years, so that I would not be at all surprised if large numbers of people were unwittingly growing the plant —and in that I would include perhaps some government departments.

Mr. McIVOR: Is it the purpose of the government not only to curtail but to eradicate altogether the production of the drug? I am convinced that anything which can be misused to break down our manhood should be investigated. The farmer producing the plant should be compensated, and the plant eliminated.

Mr. POWER: I can give the committee the undertaking that no licence will be issued until we have a complete survey of the localities in which the plant is grown, and to what use it would be put. Our hope is that within a short time it will be possible absolutely to prohibit cultivation and production, as well as sale and manufacture.

Mr. MASSEY: What steps have been taken in the United States to eradicate the plant as a weed?

Mr. POWER: The United States have passed a bill, in somewhat similar terms, which came into effect on October 1, 1937.

Mr. MASSEY: What practical steps have been taken?

Mr. POWER: Within the last two or three months, and during the course of 1937, certain seizures in plant and bulk form have been made.

Mr. MASSEY: Probably I have not made myself clear. Apparently the plant grows as a weed. The minister has told us that it was found in a vacant lot in Calgary, and in other parts of western Canada. What steps have been taken by the government to locate it, where it is grown innocently? Have the United States government taken steps to locate where it is grown in that way?

Mr. POWER: I am informed that on account of the difficulty of running this thing down in the United States, that has not been done completely. The act has been in force only since last October. They have not yet reached the point where they can say just where the plant is grown, in what quantities it is grown or how they are going to proceed to eradicate it. I may add, however, that I believe over forty states of the union have passed legislation with respect to marihuana. It was found advisable, nevertheless, to have some measure of federal control.

Mr. McCANN: Because the weed is not generally known or recognized, and because its use is so harmful, I would suggest that the government, through its publicity branch and educational features, should bring to the attention of the people of Canada the fact that the weed has far-reaching, poisonous and demoralizing effects. I believe along that line something could be done which would be of greater value than any attempt to stop production.

While I am in favour of stopping production and the use of the weed as a drug, or in the form of cigarettes, before too many lives are endangered, before the morals of the people are contaminated and before the drug comes into general use, however unwittingly on the part of the public, I say the department might well take into consideration the issuance of educational circulars dealing with its deleterious effects.

Mr. POWER: I should be glad to take that into consideration. The only thing which prevents me from saying at once that we shall proceed with an educational campaign is the fear that it might advertise the use of the drug. If it is at all possible to proceed educationally without, at the same time, telling the people where they can get it and how they can use it, I should be very glad to follow the hon. member's suggestion.

Mr. McNEVIN: It seems to me that the harships endured by any farmers who may have equipped themselves to produce this plant are of very slight importance as compared with the evil effects that the continuance of the growing of the plant would have. The results of the use of it have been proved to be serious. Many municipalities are equipped with inexpensive spraying equipment which could be used in the eradication of the plant wherever it is found growing as a weed. I suggest that the department consult with the municipalities regarding the spraying of this weed wherever it is found.

Mr. POWER: I am informed that we are pretty well ahead of the problem in Canada. In the United States the problem overtook them before they were ready, in that the use of this drug grew up with amazing rapidity So far in Canada we have not had that to contend with. Our trouble at the present time is the imported drug. So far as we know there has been no use for drug addiction purposes of any of the plants grown in Canada. I think I can give assurance that there is no intention to issue licences; but before we take any drastic steps I think we should know just where the plant is being cultivated, the extent of its cultivation and whether any interest will be injuriously affected by an immediate prohibition. It may be that someone, unknowingly and without malice, has invested a fairly substantial amount of money in preparing for the cultivation of this plant. If so, he will be advised that we shall not permit this cultivation. I think that is all we can do for the moment.

Mr. HAYHURST: In many parts of western Canada this weed is grown as a windbreak around the gardens, but most of the English speaking people do not realize to what grave uses it could be put. If this matter is advertised they will realize to what uses people put this plant. I think it would be wiser for the government to cooperate with the municipalities and the provinces in eradication work. You can go for 800 miles or so through the west and in probably every other garden you will find this weed. I do not think its use should be advertised. The

government should work in secret with the provinces and the municipalities to eradicate this weed. As I say, it is used as a windbreak and in some cases as tobacco.

Section agreed to.

Sections 2, 3 and 4 agreed to.

On section 5—Burden of proof.

Mr. PELLETIER: At first glance this section would seem to be unfair. The minister has stated that this marihuana grows wild as a weed in many places, but I notice that the section reads:

> Without limiting the generality of paragraph (d) of section four of this act, any person who occupies, controls, or is in possession of any building, room, vessel, vehicle, enclosure or place, in or upon which any drug or article mentioned in section 11 is found, shall, if charged with having such drug or article in possession without lawful authority, be deemed to have been so in possession unless he prove that the drug or article was there without his authority, knowledge or consent, or that he was lawfully entitled to the possession thereof.

It is quite possible that an individual might not know that this weed was growing wild on his land and under this section he might be put to an expense which he should not have to incur. I think the minister will agree with me that it might not be the fault of an individual if a weed was growing wild on his land.

Mr. POWER: Section 17 does not refer only to marihuana; it refers to all drugs. There is a section in the Opium and Narcotic Drug Act which places the burden of proof that he is not unlawfully in possession upon the person who has the drug. The only purpose of the amendment is to add the words "or article mentioned in section eleven." That would refer to articles such as opium pipes, utensils for cooking opium or things of that kind. It has no direct reference to marihuana; and even if this amended section did not pass, the act with respect to other drugs would remain the same.

Mr. PELLETIER: It would have no particular reference to a weed growing on a person's land?

Mr. POWER: No.

Mr. HARTIGAN: Subsection 5 states that a person charged with having such drug or article in his possession without lawful authority, shall "be deemed to have been so in possession unless he prove that the drug or article was there without his authority, knowledge or consent, or that he was lawfully entitled to the possession thereof." I submit that the narcotic drug control exercised by the government in past years has fallen far short of what it should be. Reference has been made to marihuana, but we should not forget that this act covers all narcotic drugs. Wholesale drug houses throughout Canada are permitted to keep large stocks of opium and other narcotic drugs on hand, and I should like to know what control is exercised by the government over these supplies. I could take up considerable time in discussing this question, but I shall not. A word to the wise should be sufficient. Mention has been made of the great number of motor accidents these days, and when one's attention is called to this one invariably thinks of the narcotic addicts who might be at the steering wheels of motor cars. These wholesale drug houses have branches in many of the provinces, and quite often the branches are in charge of people who have not the pharmaceutical knowledge to see that the drugs in their care are distributed in the proper manner. These branches may have in their custody just as large supplies of these drugs as the head office may desire them to have. There does not seem to be any supervision by the government in this connection.

One could not help being struck by the words of the Prime Minister of Great Britain when, speaking with reference to the resignation of Mr. Anthony Eden, he referred to the sham of the League of Nations at Geneva. The very same thing has been evidenced here year after year. I mentioned it the year before last, and to-day it is more apparent than ever. We have been sending men from the narcotic drugs branch over to Geneva on joy rides, at the expense of the Canadian people, and what ever came of it? Was codeine banned? They discussed it for years at Geneva, and yet to-day codeine is sold in Canada holus-bolus over the counter to every man, woman or child who wants to purchase it. The purchasers take it, get in their cars and drive over the highways, and lives are lost. Codeine has never been counted as a narcotic by Canada, but it was banned as a narcotic by the United States government unhesitatingly, without regard to the League of Nations. Yet Canada cannot see her way to stopping the sale of codeine to our people. This act contemplates putting it under control; I am well aware of that; but if there is no more control than there has been in the past of codeine and other narcotic drugs, if there is no better administration of the act, we are wasting our time here and deluding the people of the country into the belief that we are protecting them from the effects of narcotics.

Mr. POWER: With respect to the observations of the hon. member for Cape Breton South (Mr. Hartigan), the importation of

narcotics generally—and the question really resolves itself into a question of importation—is perhaps more rigidly controlled than he would seem to indicate. No one can bring into this country any such drug as opium or morphine or heroin without first obtaining a licence. Then the drug has to be brought in through the customs ports, where all drug importations are carefully checked. Then it goes to the wholesalers, whose supplies are constantly checked by the inspectors of the department. The wholesalers, if they open a branch, must obtain a licence also for the branch. When the drug goes from the wholesaler or distributor or branch into individual drug stores or into the hands of private practitioners, a register must be kept and a check is made even of the supplies which have been delivered to the physician, and if it is found that there has been an excessive or abnormal delivery to any physician the department gets into touch with him and endeavours to ascertain just why this abnormal condition exists.

With respect to codeine, my hon. friend has on a number of occasions drawn to my attention his views regarding this drug. The League of Nations, at their meetings, have decided that codeine is not the kind of drug which must be subjected within the country where it is sold to the same restrictions as some other drugs; but internationally it is subject to some control of movement between countries. Within our own country we have arrived at this arrangement: In four provinces codeine is subject to the same or somewhat similar regulation as other drugs, under provincial legislation; and in all the provinces, by arrangement between the federal government and the pharmaceutical associations with the assistance of the narcotic drug wholesalers, we have put into effect a plan which limits drug store purchases to actual medical needs. A maximum purchase of one ounce monthly was put into effect in 1935.

Mr. YOUNG: May I ask which are the four provinces?

Mr. POWER: British Columbia, Saskatchewan, Manitoba and Ontario.

Mr. HARTIGAN: Does the minister mean one ounce monthly per patient or per drug store?

Mr. POWER: Per drug store.

Mr. HARTIGAN: Does the department consider that that arrangement has been kept by the wholesalers in their deliveries of codeine? You will find more than an ounce of codeine in a bottle of 222's or in any other form of codeine tablets. There is an eighth of a grain of codeine in each tablet.

Mr. POWER: My information is that under this voluntary arrangement the drug stores are not able to get more than one ounce monthly, and of course their sales are registered, so they cannot sell more than the one ounce.

Mr. YOUNG: I think that the handling of the narcotic drug trade in Canada is very well done. Speaking from personal observation I have always considered that the officials were doing good work, but I am inclined to agree that codeine is not handled in Canada as it should be. It should not be allowed to enter or to be sold in this country. The minister has just told me that Saskatchewan is one of the four provinces which have certain regulations regarding the sale of codeine. I know for a fact that you can purchase 222's, containing codeine, the drug mentioned by the hon. member for Cape Breton South (Mr. Hartigan), without any restrictions whatever on the sale. I am firmly convinced, in spite of what many men who should know a good deal about it say, that codeine is a habit forming drug; I am satisfied of that. If that is true, I am equally satisfied that something more should be done in Canada than has been done to prevent any habit forming drug from being distributed in the way codeine is allowed to be at present.

Mr. BLAIR: I should like to congratulate the minister on this bill. I think it is very necessary for us to curtail the sale of codeine. It is possible that orientals bootleg this stuff into Canada more than we realize. In regard to hemp, I believe they are in the habit of using the leaves of the hemp on the sly, and it is very much to the advantage of this country that we should have an act such as this in force. I believe that a good many accidents on the highway, more than we would think from the reports, are due to liquor. In the old country they report that fifty per cent of their highway accidents are due to liquor. Personally I believe that many of our highway accidents are due to people smoking cigarettes with dope in them. After the driver has smoked a few he becomes addicted to them, and soon he is not watching his car as he should be doing. I think it will mean much to have this act in force.

Section agreed to.

On section 6—Additions to schedule.

Mr. BENNETT: This section is one giving very wide powers to the governor in council. It authorizes the transfer of preparations from one category to another at the instance of the government, which in times past would have been regarded by the minister as so ter-

rible a thing to do as almost to invite an earthquake. It seems to me an extensive grant of power to one man.

Mr. POWER: I am inclined to agree with my right hon. friend, but the situation which arises would be this. Let us suppose that at the League of Nations meeting at Geneva it is decided that codeine should be in a certain category; in order to enable the minister to carry out the arrangements at Geneva a whole year must elapse. The purpose of the amendment is really to cover that situation.

Mr. BENNETT: So far as that phase of the matter is concerned I think that is desirable, but there should be added to it that it be published in the Canada Gazette immediately thereafter. It might be put in three or four years afterwards.

Mr. POWER: The amendment provides that "every order in council made in that behalf shall be published in the Canada Gazette"—

Mr. BENNETT: Yes, I see that, but it does not say when.

Mr. POWER: —"and shall take effect at the expiration of thirty days from the date of such publication." It will not be in effect until thirty days after it is published.

Mr. BENNETT: Quite. But the order in council might be passed and publication might not take place for two or three months.

Mr. POWER: But it would not be of any use to the minister or administration—

Mr. BENNETT: I agree with that, but it is desirable it should be. That is the point I was making. If it is desirable to pass it at all, it should become effective without delay. Perhaps Mr. O'Connor will deal with that.

Section agreed to.

On section 7—Application of certain sections of the act.

Mr. HARTIGAN: In regard to this section there is a point that the department would be well advised to bear in mind, and that is with regard to the present administrators of the act. While the wording is all right and the intention of the government is no doubt good, it can be readily understood that difficulty arises when it is left to a body of mounted policemen to go into the drug stores and check the receipts and outgoings of any narcotic. You cannot take haphazard a body of that kind and entrust it with such work. I have seen some of these men go into a drug store and try to check it over; I am not casting any reflection on the mounted police as a body or, as far as that goes, on any particular individual in it, but I say that they are not the right body to be entrusted with the checking of sales of drugs in the drug stores of the dominion. It is almost like a bull in a china cabinet; it is just antagonizing the people who are in the drug business, because it leaves the impression that they may be guilty of some offence. If any customer happens to be in the store when the officer comes in, the first thought in that customer's mind will be, "This drug store must be in bad repute with the department when they have to send a policeman down here and take the manager into an inside office to check over his books and accounts." That has happened on more than one occasion. On other occasions the findings on the check-up have been far different from those reported to the heads of the department at Ottawa; of this I have very definite proof, and I am prepared to put it forward at any time it is requested. The check-up system in respect of narcotics should be changed.

Mr. KINLEY: In my opinion, as one who has had some experience in the drug business, the sale of narcotic drugs is very carefully supervised by the department. In order to buy a narcotic the druggist must send an order certifying the amount; that amount is supplied to the store upon that order; if the druggist has two or three stores he may not transfer narcotics from one to the other; each store must stand on its own order in that regard. The druggist must keep a register, and in it he must keep the amount balanced as between his sales and his purchases; a mounted police officer comes in, usually once a month, and checks that record. I do not know of any more efficient control or any better type of inspector that could be obtained within the community for the purpose of the inspection of these books than the mounted police officer. He does it well; he does it without offence, and he does it with a certain prestige behind him which is derived from the organization he represents. I realize that the sale of narcotics is a serious matter, but they may be sold only upon the prescription of a doctor. It seems to me that, at least in the part of the country from which I come, there is no great trouble with regard to the act; it is not being violated, and everybody is trying to observe it in the best way possible.

Section agreed to.

Sections 8 to 10 inclusive agreed to.

Mr. BENNETT: May I suggest to the minister that it might be desirable to con-

sider whether this act should come into force at a date to be named? If it were to come into force at once upon receiving the royal assent, it might cause some difficulties with respect to those who are not informed as to its terms; I refer to the early part of the act. Would it not be desirable that it shall come into force by proclamation or upon a date to be fixed? I recall that in 1932 when we were passing a certain act we thought it desirable to do this, for the reasons I have indicated. I do not know whether they apply with equal force to this measure; but it occurred to me that they might, having regard to some of the provisions we have dealt with this afternoon.

Mr. POWER: In 1932, as I am informed, the reason the difficulty arose was that there was an international convention—

Mr. BENNETT: Quite.

Mr. POWER: —and the endeavour was to bring the act into effect at the same time as the convention. As a matter of fact there is a convention covering quite a number of the amendments submitted, and so far it has not been ratified by the house.

Mr. BENNETT: The fact that the bill has been introduced led me to assume that that was not necessary, because I recall vividly that many of the matters we have dealt with were discussed at the international convention at Geneva. I think it well to say that most Canadians are proud of the part taken at these international conventions by Colonel Sharman, who is here this afternoon; he has made a real contribution to the work of the conventions; I think that is admitted by all who have had to do with them.

I should like to identify myself with what has been said by the hon. member for Queens-Lunenburg (Mr. Kinley) as to the method of enforcement of the act. What that hon. member has said is wholly in accordance with what I have observed, at any rate in western Canada, that the police usually go in after hours or at a time convenient to the druggist, look at the ledger and take particulars of the sales he has made to make sure that they balance with the receipts of narcotics during the previous month. Some druggists complain that it is difficult to get supplies, because of the severity with which the audit is carried on.

Mr. POWER: I shall be glad to accept the suggestion of the right hon. gentleman and allow this bill to stand in order to consider adding such a clause.

Mr. BENNETT: The minister can look into the matter. I do not know that it is necessary.

Mr. POWER: I do not know whether it is necessary or not.

Mr. BENNETT: The reason it may be necessary is that the house has not yet ratified certain conventions upon which uniform action was predicated by various countries of the world.

Mr. POWER: But there is no urgency as to that.

Mr. HAYHURST: I should like to call the minister's attention to section 9, although it has been passed. I was wondering why the words "except the seed" were put in. In western Canada poppy seeds are used to a considerable extent, being ground up and used in bread by eastern Europeans. In my opinion the control of the poppy should be brought to the attention of the minister particularly at this time, because the use of it in the way I have described is harmful to young and growing people. The older people use it in bread, for what purpose I do not know.

Mr. POWER: My hon. friend will note that the seed is excepted from the terms of the act and he will also observe that we describe a certain kind of poppy.

Mr. BENNETT: We do not grow the opium poppy in Canada.

Mr. POWER: I think we do, in some of the western states.

Mr. BENNETT: Not western "states" yet.

Mr. POWER: It is grown in British Columbia. I am informed that the oriental population grow it for the sake of a sort of narcotic beverage which is obtained by boiling down the heads. They get a kind of tea which has certain narcotic qualities.

Progress reported.

CANADA GRAIN ACT

PROPOSED AMENDMENTS WITH RESPECT TO STATUTORY GRADES OF WESTERN GRAIN

Hon. W. D. EULER (Minister of Trade and Commerce) moved the second reading of Bill No. 27, to amend the Canada Grain Act.

He said: While it is my intention to request that the bill be referred to the committee on agriculture after it has received the second reading, perhaps I might make a few comments upon what is proposed in it.

Briefly, it provides for the exclusion of garnet wheat from grades 3 and 4 Manitoba northern. As hon. members know, it is already excluded from the higher grade. The bill also provides for the establishing of three grades of garnet; we shall have three grades of garnet. It provides further that there shall be no mixing in grades 1 and 2 of garnet wheat, and that anything which does not qualify for the three grades of garnet shall be put into the commercial grades of red spring wheat. One other provision is that in these garnet grades 1 and 2 any overages exceeding one-quarter of one per cent shall belong to the crown.

That, briefly, is all that is contained in the bill. I do not know whether the house would care to discuss the matter now, but it seemed to me that inasmuch as there are very many members who have no particular interest in wheat, it would be well to refer the bill to the standing committee on agriculture.

Right Hon. R. B. BENNETT (Leader of the Opposition): I submit that this bill should not be introduced until after the Turgeon report is presented.

Mr. EULER: It was introduced yesterday.

Mr. BENNETT: But it should not be proceeded with until after that report is presented. If that report is of the importance indicated; if it deals with garnet wheat as it is said it does, surely the house is entitled to the benefit of that knowledge before it gives second reading to the bill.

Mr. EULER: I might say in reply to my right hon. friend something which perhaps will satisfy him. Before the bill was introduced; before it was framed—and it was framed by the board of grain commissioners with the support of most of the interested parties—I took advantage of an opportunity to discuss it with the commissioner, Judge Turgeon.

Mr. BENNETT: That makes it just that much worse.

Mr. EULER: I was afraid it would not satisfy my right hon. friend.

Mr. BENNETT: But the hon. gentleman must realize that not only is an ex parte conversation with a commissioner bad, but to come into the house and say that he has had that conversation, and based legislation upon it, is worse still.

Mr. EULER: I did not even tell my right hon. friend what the result of my conversation was.

[Mr. Euler.]

Mr. BENNETT: You did not have to, because you should not be talking to him at all about it.

Mr. EULER: I shall have to take issue with my right hon. friend.

Mr. BENNETT: You can take issue.

Mr. EULER: However, the matter stands just as I have stated it. If the house does not choose to give the bill its second reading, that is, of course, the privilege of the house. I think that the public interest would be properly served if the bill were given second reading and then referred to the committee on agriculture, where all those in favour of or opposed to it can make representations and arrive at some decision which will be acceptable to the house.

Mr. E. E. PERLEY (Qu'Appelle): From what the minister has said, I am in agreement with the principle of the bill as he has outlined it, and it may be all right for it to go to the committee. As regards what the Turgeon commission may report, that is another matter altogether. I wonder whether it would be out of order for me to ask the minister at this stage when we may expect the report from the Turgeon commission. Shall we get it during the present session, and if so, how soon?

Mr. EULER: Possibly I should mention another matter, one of the reasons why the bill is introduced now. It is important, I believe, that the grain growers of western Canada should have knowledge as to what it is proposed to do with garnet. It may affect their seeding of garnet wheat. The complete report of Judge Turgeon will be presented before the session is over, though I am not in a position at the moment to say how soon. I do not think the report will be unduly delayed, but before it is received it is well that the grain growers of western Canada should know exactly what we propose to do with respect to garnet, and that is a reason why this bill precedes the general amending of the grain act which will follow after the Turgeon report is received. That, I believe, is a sufficient reason why the house should enact the present amendment.

Mr. BENNETT: Before we see the report.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture and colonization.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF TRANSPORT

Marine service—administration of floating equipment, $28,835.

Hon. C. D. HOWE: Minister of Transport): When this item was last discussed, the hon. member for Leeds (Mr. Stewart) asked me to give a statement of the boats under the jurisdiction of this department. The department is responsible for refitting and repairs of all floating equipment operated by the Department of Transport, namely, the marine service steamers, including ice-breakers, lightships, River St. Lawrence ship channel fleet, pilotage service vessels, canal service vessels and national harbour board vessels. That is, it has jurisdiction as to maintenance and repairs, supervision of design and construction of new equipment, and also, under the direction of the director of marine services, is responsible for the operation of marine service steamers and ice-breakers engaged in ice-breaking and ice patrol service in the river and gulf of St. Lawrence, Hudson bay and strait, and the maintenance of aids to navigation and distribution of supplies to lighthouses and materials for the construction of lights, fog alarms, breakwaters and other services. In other words, it has charge of the maintenance and repair of all our fleet and operation of four ice-breakers and twenty service vessels, two derrick scows, two barges, one scow and two motor launches in the marine service, and the aids to navigation, serves ten lightships. The statement follows:

Department of Transport
Statement of Floating Equipment

Aids to Navigation Service—10 Lightships

St. Lawrence Ship Channel—

5	Inspection and survey vessels
2	Stone lifters
1	Winch scow
3	Sounding scows
1	Boring scow
2	Barrel floats
2	Catamarans
4	Motor launches
20	

Pilotage Service—2 Pilot service boats

Canals Service—

5	Dredges
13	Tugs
1	Inspection and service boat
10	Gate lifters
1	Drill boat
1	Stone crusher
13	Derrick scows
7	Motor launches
69	Scows of various types
120	

National Harbours Board—

1	Dredge
5	Tugs
1	Fire tug
1	Drilling and blasting boat
2	Floating cranes
1	Floating pile driver
4	Floating derricks
1	Steam derrick scow
2	Motor launches
2	Work boats (motor)
1	Diving scow tender
30	Scows of various types
51	

Mr. STEWART: Would the minister say whether this equipment has been increased since the administration of the harbours has been placed under the Department of Transport, whether any equipment has been sold, or the quantity increased, and whether the amount of equipment and number of vessels used now are greater or less than when the administration was taken over from the commissions?

Mr. HOWE: As far as the harbour commissions are concerned, the equipment is less. The principal change is in Montreal harbour, where we had quite a number of units that had been more or less laid up for several years. We had two small tugs there, used intermittently, but a number of units at Montreal harbour were sold when the St. Lawrence dredging fleet was sold. In addition we have sold two small buoy service vessels and one old icebreaker on the St. Lawrence. We refitted one of the coal barges to do buoy work on the Pacific and one on the Pacific coast has been sold. We are reducing our fleet and trying to operate the service with fewer boats and with more efficient equipment.

Mr. STEWART: My next question is, Which ones have been sold, how sold, whether by tender or how, and who were the purchasers?

Mr. HOWE: The Mikula, an ice-breaker, the Loos, which was a service boat, the Gulnare, which is a service boat, and the Newington, a buoy service boat working out of Prince Rupert, were sold through the salvage board. The remainder, that is the dredging fleet on the St. Lawrence and the surplus equipment in Montreal harbour, were sold in one lot by negotiated agreement.

Mr. STEWART: Sold through the salvage commission, or is it just one officer, the salvage officer?

Mr. HOWE: We call it the salvage board. There was a salvage officer who died a few months ago, but I think Mr. Watson Sellar, Comptroller of the Treasury, is really the officer of the government who represents the salvage board.

Mr. STEWART: Can the minister give particulars as to proceeds of the sales of these vessels, and who were the purchasers?

Mr. HOWE: If my hon. friend does not object, we might discuss this when we discuss the fleets from which these were sold. I can have the particulars here at eight o'clock.

Mr. STEWART: All right.

Mr. BAKER: The minister says that the floating equipment is much less than it was, but I notice that the administration cost is higher.

Mr. HOWE: This item for administration is a new item in the estimates. The amount it is being compared with is the amount paid to these people when assigned to different duties. That was in two different votes last year. We have reorganized the method of operating our floating equipment, brought some of it directly under this branch, which is a new branch. The man in charge of this branch was formerly the superintendent of the Sorel shipyard. We placed the operation, maintenance and repairs of all our fleet under this man and transferred certain staff from other services to assist him. But this branch is a new branch, so the comparison is not very accurate as far as this particular vote goes.

Mr. BENNETT: Where does he make his headquarters?

Mr. HOWE: At Montreal, spending two days each week at Ottawa.

Mr. PELLETIER: Under what item does the minister propose to discuss the disposal of the St. Lawrence dredging fleet and things of that kind?

Mr. HOWE: That would come under item No. 405, but I have no objection to discussing it under this item if the hon. member wishes.

Mr. PELLETIER: If we have an opportunity of discussing it under No. 405, I am quite satisfied.

Mr. NEILL: The other day I had a question on the order paper, which was answered, but I should like to get some further information. Apparently the government lighthouse tender named the Alberni is a new boat built at Collingwood. I may be wrong in saying it is a new boat, but I understood it was. It was brought to the Pacific coast in January last. It has been in drydock since then, at a cost of $5,458. Does that not seem rather extensive repairs to so new a boat? What is its history?

Mr. HOWE: The Alberni was not a new boat; it was a coal barge, repaired at Sorel for that service. It was surplus equipment on the St. Lawrence, a good hull, the type of boat required for that service and the equipment more or less suitable, so it was sent around to the Pacific. I think we spent some $60,000 fitting it up to replace the Newington, which, as my hon. friend knows, was too old to be of further service. Repairs were getting out of hand. I think the Alberni is a satisfactory boat, but unfortunately it was not overhauled after arrival. Its speed was handicapped by a coat of barnacles; we should have docked it sooner. It was in drydock recently for the first time, having been in service some fifteen months.

Mr. BENNETT: The Collingwood boat went on hydrographic survey, I think?

Mr. HOWE: That is correct.

Mr. NEILL: I asked the speed and the consumption of coal. I was told that the speed was between six and a half and seven and a half knots an hour and the coal consumption thirteen and a half tons for twenty-four hours. That is not thirteen and a half tons per hour, is it?

Mr. HOWE: No, for twenty-four hours.

Mr. NEILL: A rather low fuel consumption. What is the size of the boat?

Mr. HOWE: About 150 feet. The slow speed helps the fuel consumption, of course. We are putting new propellers on it this spring, which will bring the speed up to about eight and a half knots, which we think is enough.

Mr. BAKER: How much did the minister say was spent on repairs at Sorel on a 130 foot boat ?

Mr. HOWE: The amount was $60,000; we had to put in buoy-lifting equipment and fit it for the particular service for which it is used. It has charge of the servicing of buoys and aids to navigation on the northern part of the British Columbia coast.

Mr. BAKER: It seems rather a large amount for a 130 foot boat.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HOWE: I should like to place on record a reply to the question asked me about the sales of the Mikula, the Newington, the Loos and the Gulnare. I have a report signed by J. C. Kelly acting salvage officer, which states that the Mikula was sold by tender for $50,000, the Newington was sold by tender for $4,800, and the Loos and the Gulnare were sold to the Manseau Shipyards Limited for $6,000 by negotiation.

Item agreed to.

Nautical services—nautical service administration, $24,775.

Item agreed to.

Air service — Air service administration, $10,665.

Mr. HOWE: In fairness to the hon. member for Leeds, who has just taken his seat, may I say that a vote was passed before he arrived in the chamber. We would be pleased to reopen it, if he wishes.

Mr. STEWART: What number is the vote?

Mr. HOWE: Votes Nos. 403 and 404. I have put the information on record.

Mr. STEWART: Very well. Would the minister give the particulars with respect to vote No. 385, which we are now considering.

Mr. HOWE: This item covers expenditures of the office of the chief of air services. It is a small vote, providing for the salary of the chief of air services; his clerk, grade 4; a stenographer and office boy. There is an increase of $491, made up of $446 by way of restoration of salary deduction, and $45 through an increase in the salary of the office boy.

Mr. STEWART: Is this a new branch?

Mr. HOWE: No. It was a branch established at the time of the departmental reorganization. There are three branches, namely, civil aviation, radio telegraph and meteorological services. These are grouped together under the officer known as the chief of air services. This particular vote is a break-down of the items of last year, the expenditure by the chief of air services being shown as a separate item.

Mr. LANDERYOU: Can the minister explain the duties of this official?

Mr. HOWE: He has charge of everything connected with radio telegraph. He has the administration of the Radiotelegraph Act, the ship-to-shore radiotelegraph communication, everything connected with aviation and the meteorological service. This latter function includes the preparation of weather reports, and the meteorological service for the Trans-Canada Air Lines.

Item agreed to.

Civil aviation division—Control of civil aviation including the administration of the Aeronautics Act and regulations issued thereunder, $317,500.

Mr. STIRLING: Would the minister give the committee information with regard to the feeder services to the Trans-Canada service. I had the pleasure of taking some part in the opening of the airport last summer at Oliver which, as the minister knows, is an admirably developed airport. It is the point on the Trans-Canada service where it crosses the Okanagan valley which runs north from the centre of the state of Washington, up to the main line of the Canadian Pacific railway. What possibility is there in the near future of developing a feeder service in that valley. There are several other localities in southern British Columbia which require facilities for moving freight, passengers and perhaps mail.

Mr. HOWE: The Trans-Canada Air Lines are confining themselves to through services, from Vancouver to the maritime provinces, the only deviation from that being the line from Lethbridge to Edmonton, the capital city of Alberta, and such international services as may later be decided upon as a logical part of that operation.

It is intended that the feeder services will be left to private enterprise, under arrangement with the Post Office Department. The post office requirement will largely determine the number of feeder services to be inaugurated. At this time tenders are being called for a service connecting the principal cities in Saskatchewan with the Trans-Canada at Regina. I am sure that later on other services will be developed westerly from that point. Of course the Post Office Department's requirements are something outside the province of the Department of Transport, and I should have to take the matter up with the Post Office Department before I could answer the hon. member with respect to the possibility of a route in the Okanagan valley. I believe I can say that it is the intention to extend as rapidly as possible aviation to the principal centres in Canada, wherever postal traffic will warrant.

Mr. MARTIN: The minister was good enough this summer to visit Windsor. His assurances in connection with the place the city of Windsor would occupy in the province of aerial navigation in Canada were indeed encouraging. I am wondering if he would care to make a statement with regard to the position of Windsor, not as a point on the main line, but largely because of its accessibility to the United States in a direct line from Toronto to Windsor and Chicago.

Mr. HOWE: It is rather early to speak definitely about the route from Toronto, west. It is the intention, of course, to establish a connection west from Toronto with either Chicago or Detroit. So far as I know, the

department has plans for Windsor, but unfortunately we have not had very much co-operation from that city. We look for some help from the cities by way of furnishing air fields. At this time the whole situation in so far as Windsor is concerned is a little indefinite. We hope to make some progress this year in that particular direction.

Mr. LANDERYOU: What plans has the department in mind for Calgary?

Mr. HOWE: The situation in Calgary is still being explored. The field previously used is not adequate for high speed equipment. It can be used in favourable weather. We hope to obtain a better field there shortly. We are prepared to cooperate with the city, but unfortunately the city is not in a position at this time to cooperate with us. So there again it is a little premature to say what eventually the solution of the Calgary situation will be. It is one of two or three spots in Canada the plans for which have not yet been completely worked out.

Mr. BROOKS: What is the situation with reference to the extension of service to the maritime provinces? What will be the terminus there and what feeder lines are contemplated?

Mr. HOWE: The situation in the maritime provinces has not been worked out in detail. As the hon. member knows, the route has been developed from the westerly end and we have completed it as far east as Winnipeg. By the middle of this summer we hope to have it completed to Montreal and Toronto, and we are going to press on to the maritime provinces as soon as the weather permits this spring. The situation in eastern Canada will also be developed, but it will take the remainder of this year to work things out in the maritime provinces. Until they are worked out, it is difficult to speak definitely.

Mr. BROOKS: What will be the main centre in the maritime provinces?

Mr. HOWE: At the present time we are exploring the possibilities at Moncton, but no decision has been arrived at in the matter. We are considering the establishment of a terminus at Moncton with feeder services to other maritime cities.

Mr. MacNICOL: What is the present position of the airport on Toronto island, and what means are being provided for the rapid transport of passengers to the airport? The minister will remember that the previous government planned to build a tunnel under the western gap, but after a lot of money had been spent the present government decided to discontinue this work. I believe a lot of the lumber that was there was shipped up to the Muncey Indian reserve, thus wasting a good deal of money.

Mr. HOWE: We may have wasted a lot of money, but I think we saved a lot at the same time in connection with that tunnel. The present plan is to use a chain ferry. I understand the distance to the mainland is only 300 yards, and it is expected that the elapsed time for a trip will not be more than five minutes.

Mr. MARTIN: May I come back to the question I asked the minister with reference to Windsor? The minister may not be able to answer my question now, but when the minister said that the city of Windsor had not cooperated fully with the department I believe he had something else in mind. I should like to state that interested parties in that city are now negotiating in connection with a proposed site for an airport. The negotiations so far have been very satisfactory as far as the department is concerned, but the matter has not reached the stage where the city could be expected to commit itself one way or another. I can assure the minister that the city of Windsor and the other agencies involved are interested and are cooperating to the full.

Mr. MacNICOL: The minister did not answer my question with regard to the airport to take care of the Toronto situation.

Mr. HOWE: Our cooperation was asked in the development of two airports, one at Malton and the other on the island. Our surveys disclosed that the Malton field had possibilities of being developed into perhaps the finest airport on the north American continent; it is almost ideal for all weather conditions. The island airport is unexcelled because of its accessibility to the business district, but it does not comply with the standard specifications in being too close to the high buildings along the water front. Our department has ascertained that for about eighty-five per cent of the time the island airport will be quite suitable, and when weather conditions do not permit its use—this is when first-class facilities are needed—the Malton field will be available.

Mr. MacNICOL: Will the Malton airport be affected by fog?

Mr. HOWE: Not so far as our observations indicate.

Mr. MASSEY: Are we discussing item No. 386 or Item No. 387?

The DEPUTY CHAIRMAN: Item No. 386.

Mr. MASSEY: Are we not out of order in discussing airports under this item?

Mr. HOWE: Probably we are.

Mr. LANDERYOU: The city of Calgary has spent considerable money on an airport and responsible officials of the city have indicated that they are prepared to cooperate. The minister has said that the city has failed to cooperate up to date.

Mr. HOWE: No, I did not.

Mr. LANDERYOU: What cooperation has the minister in mind as being necessary?

Mr. HOWE: I think my hon. friend misunderstands me when he says that I said that Calgary had failed to cooperate. As a matter of fact we had excellent cooperation there and we had advanced the proposal to the point where the relative liability of each side had been discovered. It was at that point that Calgary decided that the amount required from them was more than they could afford at the time, so the matter was temporarily dropped. The city officials have shown every disposition to cooperate with us as far as they can. There are rigid provisions governing the help which the dominion gives in the development of municipal airports. We are permitted to contribute one-third of what money has been spent on an airport, or one-quarter of what new money is required. In other words, we are prepared to spend on a new airport one-third of what Calgary spent on the old airport, and contribute toward any additional money required in the proportion of one-quarter to three-quarters.

The DEPUTY CHAIRMAN: The point raised by the hon. member for Greenwood (Mr. Massey) is well taken. The discussion for the last few moments has been all in connection with airports, and that would come more properly under item No. 387. If we could pass this item, we could proceed to the next.

Mr. TAYLOR (Nanaimo): Is the department bending its energies towards taking adventure out of flying in Canada?

Mr. HOWE: This particular item is solely for that purpose as it covers the regulation of flying. This vote is to ensure that aircraft are in proper condition before they leave the ground; that the rules of flying are observed, and that planes are not overloaded or are not flown in a dangerous condition.

Mr. TAYLOR (Nanaimo): Is some effort being made to reduce the present high landing speeds? The fact that a plane carrying passengers must land at a speed of eighty-five miles an hour may not sound dangerous, but the fact is that is a very fast speed at which to land. I am told that some of the newer machines land at speeds of 100 to 120 miles an hour. That seems still to leave adventure in flying, and I do not think you will get the people of Canada or of any other country to travel consistently by air until that factor is removed.

Mr. HOWE: Very few planes have a landing speed as high as eighty-five miles per hour; the average landing speed is forty to sixty-five miles an hour. The question here is whether the runways, or, in the case of a hydroplane, whether the lake or water area is large enough to provide for landing at that speed. If the proper runway is there and fitted to the speed, there is probably no more hazard in landing at sixty-five miles an hour than at a lower speed.

Mr. MASSEY: Would the minister be good enough to inform the committee of the procedure followed in laying down regulations as to the airworthiness of our aircraft, the qualifications of pilots, and matters of that sort? I think it would be of great interest to know how these regulations are arrived at and determined.

Mr. HOWE: An international convention upon airworthiness and navigation governs both those points reasonably closely. We are just now completing our new regulations as to airworthiness and requirements for pilots. They will be out very shortly, and rather than give an amateurish explanation of what is in them, I shall be very glad to send a copy of them to my hon. friend.

Mr. MASSEY: I was interested in asking the question because within the year we hope that large transport planes in the hands of Canadian pilots will be passing through Canadian air. We fully realize that the Canadian pilot has distinguished himself in both commercial flying and wartime flying as has no other pilot in the world, and we may justly be proud of our achievements in that field. On the other hand, we have had a limited experience with the beam method of flying in this country. It will be readily recognized that straight instrument flying and directional flying under radio control are quite different from flying by map and compass or taking one's position from the ground, and in view of that difference I understand that Trans-Canada Air Lines have brought several pilots from the United States into Canada to instruct our pilots in the art of beam flying. I am not for a moment suggesting any criticism of

the capabilities of these gentlemen, particularly because of the extended and happy experience the United States have had in their transport and passenger flying. On the other hand, we fully realize that Imperial Airways has achieved ends which are second to none in the world; while there may be some differences between the method of flying on the European continent and other parts of the world and what we plan over here, nevertheless Imperial Airways pilots have had the experience and the training, and I would ask the minister why it is that United States pilots are being brought to Canada, rather than pilots of Imperial Airways, for the purpose of giving instruction to our own pilots.

Mr. HOWE: On this continent beam flying is used. Imperial Airways uses a direction finder. They carry a spare officer, a navigator, who works out his position from the stars, and when he gets within range of homing devices he works out his position by radio direction finding. We believe that for the conditions we will encounter in the Trans-Canada service it is decidedly preferable to follow the beam type of flying. We think a plane flying at three miles a minute over mountains does not give the navigator sufficient time to plot his course as he goes along, and it would mean carrying a navigator in the plane in any event. Beam flying has been very successful in this country, and we think we are wise in choosing a proven method of transport for this continent under conditions paralleled by existing competing lines.

Mr. MASSEY: In addition to what the minister has just said, those of us who have flown in transport planes in both the United States and Europe, particularly on Imperial Airways and some of the German lines, or the Dutch, Swedish or Danish lines, realize that their method of flying is quite different from that which is practised in the United States. In the United States a plane sets out from an airport for another airport, and every effort is exerted to have that plane land on time. They tend to stick to the beam in spite of weather, and maintain a predetermined altitude of, say 3,500 or 4,000 feet, following the beam into the airport. Flying in Europe is done rather differently. I remember flying from Copenhagen to Stockholm a year ago. We climbed to 16,000 feet to get above bad weather; and on another occasion flying from Malmo, Sweden, to Amsterdam, Holland, we went seventy miles to the south to avoid a storm. In such flying as I have done in the United States I cannot recall instances where we have gone as far out of our way or climbed to 15,000 feet except to get over a mountain. I think we all realize that Imperial Airways pilots have built up for themselves an enviable record. We all realize too that the experience of the United States airlines on some occasions, particularly on the west coast where fog is encountered, has not been too happy. Would the minister be good enough to inform the committee of the method that will be followed in Canada, whether we shall follow the example of various European lines and detour or climb in an attempt to avoid bad weather, or will our planes go straight through on the beam in spite of bad weather?

Mr. HOWE: We are in a very happy position in Canada. We have our own pilots with wide experience in the type of flying that is done in Europe, where the pilot uses his own judgment to a great extent. We have, too, the facilities for beam flying, which is not at all restrictive as to the height the plane may go. The pilot can go up to ten or twelve or fifteen thousand feet if he likes, but if he leaves the beam he loses all benefit from it and must rely on homing devices. He has the further advantage, if he can stay on the beam, of getting his definite location and of having instructions over the beam to duplicate his radio direction finding instructions. So we believe he is in a better and safer position than the pilot in the Imperial Airways plane. Of course, the Imperial Airways plane travels under quite different circumstances. It would be almost impossible to have the beam on many of the routes they fly. The planes leave England and go out over the ocean, and the carrying power of the beam is not very great. The maximum distance for which the beam can be relied upon is two hundred miles. I think we are very well safeguarded. Our pilots have been examined by several experienced aviators, and I have been told on all sides that we have to-day twenty-one pilots who are the equal of any that can be produced in any country in the world. They are well trained in our type of bush flying; that is, flying without aids to navigation, and we have taken the best of them and have given them a thorough training in beam flying with capable instructors brought here for the purpose.

Mr. MASSEY: Our pilots are indeed, the best in the world. It is generally understood that within the next few months, or perhaps a year or two, Imperial Airways will have a round-the-world service. There are few places now where they have not a service, one of the few gaps left to complete, to make that service an actuality, being across

Canada, and another over the Atlantic ocean where experiments were so successfully conducted last summer. For this round-the-world service of Imperial Airways, will Canadian pilots fly Canadian planes across Canada, or will the British pilots take the Imperial Airways planes from Australia, or whatever point they take off from, and use our facilities here, flying their own ships across our dominion?

Mr. HOWE: Canadian planes and Canadian pilots will always do the flying over Canada.

Mr. STIRLING: Will the minister give the committee some information regarding the service to the Yukon? A considerable volume of support came forward to the work which the Vancouver board of trade did in endeavouring to persuade the minister that the route which would serve the Yukon most successfully was from Vancouver. Their plea largely was that for thirty years the principal service of supplies to the Yukon had been carried on via Vancouver, and they were naturally anxious to keep that connection. I believe the minister was of opinion that, at the present time at least, it would not be possible to carry on that service via Vancouver. Will the minister state how far have negotiations to that end been carried on, and whether he considers that the time will shortly come when the arrangements for commercial flying Vancouver to Ashcroft to Prince George will be made use of as a feeder to the Canada Air Lines?

Mr. HOWE: At the moment, Edmonton is linked with the Yukon by a private service, with a mail contract from the post office. Test flights are being made for a route from Vancouver to Ashcroft to Prince George, and also, I understand, by the Pacific coast, but to date I believe no mail contracts have been awarded. The matter of lines of this sort is really outside our jurisdiction as far as initiating them goes. The lines must show that they have sufficient traffic to develop an air mail contract substantial enough to justify the service.

Mr. GREEN: Has the Department of Transport anything whatever to say as to the routes that are to be opened up across different parts of Canada? Surely some department of the government should be able to give a lead in these matters or should have some control over what routes are flown. Can a man set up an air route and carry passengers anywhere he wishes in Canada without any check by the government as to what route he is to fly?

Mr. HOWE: Our act prescribes the conditions under which he must fly. If necessity is shown for a route; if the post office department can be interested or even if they cannot if a route is to be flown, our inspectors pass on the equipment and on the landing facilities, they investigate whether the lakes are sufficiently large to permit planes to land in safety, and the whole route is inspected before it is licensed. We are adopting now a licensing system. If a plane is flying a route with any regularity—once a day or a week or a month—the route is licensed to that party after our inspectors have determined that conditions along the route make for safety of operation.

Mr. GREEN: The reason I raise the question is that the development of the Yukon air mail route has been most unfair. It may be that the government did not intend to be unfair in acting as they have done; but they have given this air mail subsidy to a line flying from Edmonton to the Yukon, whereas practically all the passenger, the express and the freight business to the Yukon has come for many years from Vancouver and other coast points. The result of subsidizing this air mail service from Edmonton to the Yukon will be to deprive the coast cities of that business, and the government should have power to prevent or stop that sort of thing; it should not have been allowed in the first place. Flying is going on from Vancouver to the Yukon, I believe that route can be flown in a shorter time than the other, and surely that is the way by which this service should operate. I would ask the minister to have the matter looked into and see if these conditions cannot be righted, because the effect is to take business away from the coast cities and give it to Edmonton, and that in my opinion is not at all fair.

Mr. PELLETIER: The hon. member who has just taken his seat apparently overlooks the fact that there are a great many intermediate points between Edmonton and the destination to be served. I feel sure that the present move is the right one, simply because it provides the only means of communication available to the people of the interior. So far as the time required is concerned, I doubt if that has a great deal to do with the matter, because after all the object of the service should be to do as much good as possible, and in that connection time is a secondary factor. In my opinion the post office, in doing what they did, have done a very good job.

Mr. MacKINNON (Edmonton): Surely the hon. member for Vancouver South

spoke without a knowledge of the actual conditions in connection with proper communication by air from all parts of Canada and from the United States, and prospectively, the round-the-world mail service which will be inaugurated. The very arguments that he gave are, I should say, in favour of the route as established. The route from Edmonton to the Yukon has been opened up by private capital to satisfy an imperative demand not only for passenger but for mail service. I doubt whether this is the proper time to develop the argument, but surely the route has been selected after careful inspection and investigation by technical advisers of the Department of Transport. Surely no route should be used except and until it has been fully investigated by the proper technical officials.

Mr. HOWE: It is a misnomer to speak of a mail "subsidy." The carriage of mails is remunerated not as a subsidy but as a payment for a service, and I understand that the post office has found that on the whole it is a profitable enterprise. The reason the route was flown north from Edmonton was, of course, that it was demonstrated that sufficient mail offered to justify the service, which is weekly. It has proved profitable to the post office I am sure that if it can be demonstrated that any other route is similarly profitable to the post office, there will not be any difficulty about arranging a payment for the service.

Mr. GREEN: Why should this matter be left to the post office? Should not the Department of Transport decide what routes shall be flown? The hon. member for Edmonton West led the committee to believe that the department inspected the route from Edmonton to the Yukon. If they did that, they should at the same time have inspected the route from Vancouver to the Yukon. I do not know whether they inspected either route. Perhaps they just did not pay attention to anything that was happening, with the result that the Pacific coast has been put in a very unfavourable position. As to mail coming from the United States, that is just what we are afraid of, that the larger American centres in the east have been favouring this route from Edmonton to the Yukon and that this service has been inaugurated for their benefit, which we think is not fair to the Pacific coast.

As regards the service to the orient, Australia and New Zealand, we have always been led to believe that it would go direct from Vancouver, but now we hear about this route via Alaska. It seems to me these are matters in which the Department of Transport should take some interest; it should not be just a dog fight to see who gets in first. Plans should be carefully thought out ahead, and the best route for all parties concerned selected.

Mr. MacKINNON (Edmonton): We who have lived in western Canada for some considerable time know that, in the past, attempts have been made to make water run up-hill. I do not think the Department of Transport should for a moment allow petty jealousies, one city or one part of a province against another, to enter into the matter at all. In my opinion the traffic should find the easiest route and should be encouraged along that line.

Mr. McNIVEN: By the same token, I have no doubt that the minister will be glad to hear of that route which is closest, safest and most advantageous from the standpoint of aerial development. Much has been said by hon. members who have spoken previously in regard to aerial connection with the great republic to the south, and I am informed that the most direct route from the south, from the western states of the south, is by way of San Francisco or Los Angeles over the Rocky mountains, crossing the great American desert to Glendive, North Dakota; from there to the queen city of the west, Regina; from Regina north to Saskatoon and Prince Albert; from Prince Albert north to Goldfields; from there up to Yellow Knife; thence to Aklavik, and on to the Yukon.

That is the safest and shortest route, and it avoids the perils of the Pacific ocean and the hazards of the Rocky mountains. Airmen themselves would very much prefer to have that chosen as the route leading into the great north, and there is another reason why that route should be very carefully considered, It may not be generally known to hon. members, but in the province of Saskatchewan in the great hinterland there are about 80,000 square miles of the pre-Cambrian shield. The pre-Cambrian shield houses all the resources that are responsible for the mineral wealth of Ontario and Quebec, and in Saskatchewan there are 80,000 square miles of it. It has been developed on the east at Flinflon and on the west at Goldfields, and between these two points there is a great natural wealth that would arouse the envy of the Incas of Peru. We know that wealth is there and we are seeking the cooperation of all the departments of government and in particular the Department of Transport in the development of that territory. It is Saskatchewan's one hope for a well balanced and better economy.

Mr. GREEN: I should like to get a word of support from the Minister of National Defence (Mr. Mackenzie).

Mr. HOWE: Speak to him.

Mr. GREEN: I will speak to him all right. Seriously, I believe there is now a regular air service in operation between Vancouver and the Yukon, and I understood from what the minister said that his department could examine routes and license them if they were satisfactory. Is there any reason why that route should not be examined in the near future and a licence issued if the route were found satisfactory? We would then be in a position to have the air mail which is going from Vancouver to the Yukon flown up the coast or through the interior up to Prince George and from there to the Yukon. We do object, and rightly so, to having the business taken from under our nose.

Mr. MASSEY: Apparently we were out of order in discussing airports and we are out of order now in discussing airways. I wish to say something about this matter; but I hesitate to be out of order because the hon. member for Halifax is in his place, and I am afraid that we might have a speech to-night on the Crimean war if any irrelevant discussion were allowed. Am I in order in discussing airways?

The DEPUTY CHAIRMAN: When the committee passes item No. 386, the hon. gentleman will be in order.

Mr. GREEN: May I ask the minister for an answer to my question?

The DEPUTY CHAIRMAN: That comes properly under item No. 387. Shall item No. 386 carry?

Mr. BENNETT: This item is for the control of civil aviation, and it is in regard to that subject that we wish to ask a few questions. The other evening the minister did me the high honour of indicating to a gathering in the city of Ottawa that it was probable that I would oppose a certain proposal which he was going to make to the House of Commons. It is not usual to discuss these matters at banquets before they are heard of in the house, but to other days and other manners these things were different. First of all, I would ask this question: Under this item are the gentlemen to whom the minister alluded on that festive occasion being paid?

Mr. HOWE: No; this is purely the administration of the department's control of civil aviation.

Mr. BENNETT: It has nothing at all to do with the operations of the plants?

Mr. HOWE: No.

Mr. BENNETT: That settles that question for the moment; it will come up under the next item. Might I ask my second question, which arises out of what has been said. It is this: To whom did the department award the contract for the carriage of mails from Edmonton to the Yukon?

Mr. HOWE: That is a matter for the Post Office Department, but I happen to know that it is Grant McConnachie of United Airways.

Mr. BENNETT: Does the minister know how he came into possession of the contract?

Mr. HOWE: No.

Mr. BENNETT: The Post Office Department will enlighten us on that?

Mr. HOWE: Quite so.

Mr. BENNETT: Then this item does not bear in any way upon the matters to which the minister alluded the other evening, or yet upon the circumstances under which this young man became possessed of this contract, having come without one and left here with it? There is nothing here that will assist us in dealing with that question. This is departmental control?

Mr. HOWE: Yes.

Mr. BENNETT: Thank you. We will discuss the matter when we come to it.

Mr. MacKINNON (Edmonton): The leader of the opposition made a slighting remark in reference to a young man of the city I have the honour to represent in this house. The young man is Grant McConnachie, and he is merely an official of a substantial, reliable, aggressive company which has made a contract with the Post Office Department.

Mr. BENNETT: I am not making any slighting observations with reference to him. On the contrary I would compliment him upon his ability to secure a contract by an act almost of legerdemain in pulling the rabbit out. He pulled, and out it came. That is what I had reference to. Do not worry about any slighting observations about one who is thus able to pull the trick he pulled under the circumstances under which it was done. You put your hand in, shut your eyes and pull out a mail contract to carry mails from Vancouver to the Yukon with the high approval of the order in council for which the Minister of National Defence (Mr. Mackenzie) must be partly responsible. That is not a matter of importance at the moment. The minister does not know anything about it?

Mr. MACKENZIE (Vancouver): No.

Mr. BENNETT: I thought not. That would be nothing unusual. I think you are entitled to that. So the hon. member for Edmonton West (Mr. MacKinnon) is entirely wrong in suggesting that I am in any sense indicating that any slighting observations should be made about one who is able to do this legerdemain trick, about which we shall receive particulars when we come to the Post Office Department, and the wonders that such a distinguished and shall I say courageous and active young man can accomplish. So I leave it at that. The Post Office Department is to enlighten our ignorance, I understand, and if the Minister of National Defence is to help us with his knowledge it will be received with great pleasure and satisfaction when that vote is reached.

Item agreed to.

Airways and airports—construction and improvements including lighting and radio facilities (capital), $1,722,400.

Mr. GREEN: May I get an answer to my question?

Mr. HOWE: What was the question? I did not hear a question.

Mr. GREEN: The question was whether or not it would be possible for the department to check this new route that is being flown from Vancouver to the Yukon, and license it if it is found to be in order.

Mr. HOWE: There is no direct route from Vancouver to the Yukon up the coast. It is too foggy for safe flying at the moment. There is a route being developed from Vancouver to Ashcroft and Fort George and Fort St. John, where it ties in with the operation from Edmonton to the Yukon. I understand there is also a route being developed direct from Vancouver to Prince George via Hazelton. As I say, the speed with which these routes are developed will depend entirely on the amount of traffic. These are private enterprises and private capital is very anxious to explore every possibility of making a profit. If it can be demonstrated that either of these routes has the necessary traffic, I am sure that the Post Office Department will make the necessary arrangements to carry the mail and the route will be developed. If it is reported that anyone desires to fly the route, our inspectors will go in and if the route complies with the requirements we will license it. We are not retarding development but on the other hand the establishment of a route will depend on the traffic that offers. Traffic is the criterion.

[Mr. I. A. Mackenzie.]

Mr. GREEN: The department is in a position to check a route at any time?

Mr. HOWE: Quite.

Mr. LANDERYOU: Can the minister tell us what improvements are being made under this vote in the airports in western Canada?

Mr. HOWE: Does my hon. friend want a detailed report on each one?

Mr. BENNETT: I think it would be well to put on Hansard a short statement regarding each one.

Mr. MASSEY: Will the minister permit me to interrupt? I think it would be of great assistance to the committee and to all concerned if he would give a general picture as to the position of Trans-Canada Air Lines with an estimate as to when we may expect the inauguration of passenger and freight service.

Mr. HOWE: Starting from the western end we have at Vancouver one of the finest airports on the continent. It is well located and well developed, has concrete runways and is in first-class condition. Then we have an auxiliary airport at Langley Prairie. The grading of three landing strips is completed, and seeding is taking place there. I think by midsummer Langley will be in condition for use; it is an emergency landing field. Then at Hope the field is usable; there is a little more work to be done this summer; this is also an emergency landing field. At Princeton the field is usable, and there is very little to be done there; the radio beam is in, power installed. The radio beam is in at Vancouver as well. Then at Oliver the lighting is finished and the runways serviced; that landing field is complete. At Midway the field is usable, that is only an emergency field. At Grand Forks the radio range is in and consideration is being given there to an alternative field, as the municipal field is not capable of being developed up to standard. At Trail there is a municipal airport sufficient for emergency landings. At Salmo the field is completed, but the lighting is not installed. At Cranbrook municipal airport the lighting is now being installed, and the department is installing two-way radio equipment. At Lethbridge the old municipal airport was found to be unsuitable and a new airport has been selected; lighting is installed; the beam is ready and the field is now in fair condition for use. Trans-Canada Air Lines is building a hangar there. The next principal field is Medicine Hat; there again the field is usable; the lighting equipment is ready for

service; the power line for the radio range is completed and I believe the radio range is on the air now. Then Swift Current—

Mr. BENNETT: What about Calgary?

Mr. HOWE: We have a difficult problem there. The old field is not capable of being developed to modern standards, but at the same time it is usable in ordinary weather.

Mr. BENNETT: You have a lighthouse there, and power?

Mr. HOWE: Yes, but if the weather is too unfavourable we cannot stop at Calgary; we will have to fly on to Edmonton. We are hoping, possibly this season, to work out a new field there. I have tried to induce my colleague the Minister of National Defence to let us use his very fine field, but so far without success.

Mr. BENNETT: We will remember that!

Mr. HOWE: Perhaps from there on a general statement would do. The Trans-Canada airways from Winnipeg west is to all intents and purposes completed, and regular flights will take place from about March 1. For a time, while the flights will be on regular schedule, only mail will be carried; but after the weather improves and we are sure that all arrangements are working well we will take passengers as far east as Winnipeg.

Coming east from Winnipeg on the ordinary route, flying will be done at night, and we are putting in lighting fixtures and complete radio beams. The fields are all well developed right through to Toronto.

Mr. BENNETT: At what points?

Mr. HOWE: Winnipeg, Kenora, Sioux Lookout, Wagaming, Nakina, Pagwa, Kapuskasing, Porquis Junction, North Bay, Reay and Toronto, and then Ottawa and Montreal. We expect that that route will be in the same position as the western end by the first of July. We expect to be able to run planes from Montreal to Winnipeg and Vancouver on July 1.

Mr. BENNETT: You do not fly over the lakes?

Mr. HOWE: No; the route is around the north.

Mr. McNEVIN (Victoria, Ont.): What points will the route touch between Toronto and Ottawa?

Mr. HOWE: I do not know whether the hon. member knows the names of the places I have mentioned. Some of them are very small places. The route, however, is Montreal, Ottawa, Killaloe, Bracebridge, Reay and Toronto.

Mr. CLARKE (Rosedale): When will there be a regular schedule from the Atlantic to the Pacific coast, and when will the operation take place? Would it run once a week, once a month, or how often? When can we expect a regular trans-Canada air line service to be operating on regular schedule?

Mr. HOWE: If the hon. member will accept the St. Lawrence river as the Atlantic, then I would say that we can expect a regular daily schedule beginning July 1 of this year, operating between Montreal and Vancouver.

Mr. ISNOR: But we do not accept that.

Mr. HOWE: It is expected that planes will leave Montreal about eight in the evening and arrive in Vancouver at noon the next day.

Mr. BROOKS: We in the maritime provinces have too long accepted the St. Lawrence river as the eastern terminus of Canada. If this were a railway I could understand why we might have to start at one point and complete the work, section by section; but as it is to be an airway service, I do not see why ports in the east could not be developed at the same time as ports in central or western Canada. We in the maritime provinces have been on the tail end of many things for a long time, and I should like to see something done to give us the service we deserve. The suggestion that the St. Lawrence river might be considered the Atlantic ocean is a little too far-fetched for us from that end of Canada to swallow.

Mr. HOWE: The hon. member will see a great deal of activity in the maritimes this year. Our main expenditures in the coming year will be in the development of the service in the maritime provinces. The difficulty, of course, is that we can ask parliament only for limited funds to apply on the work in any one year. We hope that the end of this year we may have a trans-Canada service from coast to coast, and that by this time next year the planes will be flying the entire distance.

Mr. CLARKE (Rosedale): The route the minister set out was from Montreal to Ottawa and, as I followed him, to North Bay. I was wondering if he had anticipated going from Ottawa to Toronto and then to North Bay. What is the direct route we may expect? If Toronto is on a branch line, I should like to hear what the minister has to say about it.

Mr. HOWE: The first planes will fly over the route, as I suggested, from Montreal to Ottawa, to Reay and to Toronto and then

back to Reay and on to North Bay, and west. As traffic develops, it is quite probable that we shall be able to run separate planes from Montreal and from Toronto.

Mr. BENNETT: The same as the trains?

Mr. HOWE: Yes.

Mr. MacNICOL: I would like the minister to tell us how we are to get to and from the island at Toronto. We have been listening to information about the fine ports at Regina, Vancouver, Edmonton and elsewhere, and realizing that the taxes collected in Toronto are a large per cent of those collected throughout Canada, I think it is about time that Toronto had some of those fine ports.

The minister said something about a chain ferry. I must confess I do not know anything about that.

Mr. BENNETT: Maybe it is like a chain letter.

Mr. MacNICOL: I do not know about chain ferries running across the bay, but would the minister tell us about the chain ferry?

Mr. STEWART: You pull yourself over.

Mr. MacNICOL: The minister said it would be a lot faster than that. When the tunnel was first planned by the late government, it was stated that passengers could go from the Royal York, the King Edward or any other downtown points in Toronto to the air port within five or ten minutes. But I can picture them taking about an hour by a chain ferry, particularly if it is stormy weather. The minister will have to give the Queen city of all Canada a much better entry to the island than would be afforded by a chain ferry.

Mr. LOCKHART: While there have been several things said—

Mr. FINN: Mr. Chairman—

The DEPUTY CHAIRMAN: The hon. member for Halifax has the floor.

Mr. FINN: I thank you, Mr. Chairman, that I have the floor. I am able to stand on both feet. "There is no wooden leg about this," as in the pensions debate.

I have followed very closely the remarks of the Minister of Transport in connection with the development of the airways. So far as the route from Montreal to the east is concerned, it seems to me everything is in the air, but there is nothing up there to travel in. I was very much surprised when he said that the second emergency station would be "Hope." I remember once coming up from Bermuda in the old "Alpha", and while in a fog getting off our course. We got in touch with a little schooner to find out where we were, and learned that we were off Little Hope light. The name of the schooner was "Our Only Joy." So I guess the schooner is our only joy, so far as the aeroplane service is concerned.

Mr. MacNICOL: What was in the schooner?

Mr. FINN: You will have to ask the "Admiral." Then we come to another stop which bears a great name; it sounds something like "Grand Fox." One has to be pretty foxy to follow some of these things. Then we come down to Swift Current; things are so swift that, so far as the east is concerned, we are swept off our feet.

In all sincerity I must say that I have no desire to be too critical, but it does seem to me that in the east we have been forgotten. If we did not remember that we existed and did not sometimes get to our feet—as seldom we do—we would not be known at all.

Halifax is the eastern gateway of Canada as Vancouver is the western, but there is no intimation by the minister that he hopes at some future time to extend this service eastwards. Is the eastern terminus of this air line to be in the adjoining province of New Brunswick? What will be the route from Montreal east, and where will be the point of departure on the Atlantic? I am not referring to the St. Lawrence as that is an inland waterway. Millions have been spent on that in order to permit ships with slightly greater draught than the Empress of Britain to follow that waterway to Montreal. Would the minister give us an outline of what is proposed in airways east of Montreal? Can he tell us what is to be done for the maritimes and for that part of Quebec east of Montreal? I should like to know where the ships are to take off for overseas and the Mediterranean.

Mr. HOWE: The line runs from Montreal to within a few miles of Sherbrooke, across the state of Maine to about half way between St. John and Fredericton, and then to Moncton. The intention is to operate non-stop from Montreal to Moncton. This route has been chosen in an effort to avoid fog, the great enemy of flying. Almost anything else can be overcome except fog. We believe we have a route almost entirely free of that menace. From Moncton east it is intended to ask private enterprise to join with us in setting up routes. There is already a private route from Moncton to Charlottetown—and we hope to have routes to Halifax, Saint John and Sydney.

Mr. FINN: I do not think the statement of the minister is quite satisfactory. We have one illustration of transportation going through the state of Maine. On the Canadian Pacific railway it is a case of closed doors after you leave Megantic until you cross the state. It is now proposed to run this air line across the state of Maine instead of through Canadian territory. We are a long way from Montreal, and there is no indication that any service is to be given beyond Moncton, except that provided by private companies. We are not to be part of a trans-Canada scheme of air lines to be paid for by the people of this country for the good of the people in the east as well as in the west. As one of the representatives for Halifax I am not satisfied with this proposed service. We have just as much right to the security of the best planes as have the people between Vancouver and Montreal and Saint John and Moncton. There is a dead stop when you get to Moncton; from then on you take your choice between "give me liberty or give me death" by private planes.

Mr. LOCKHART: In the discussion concerning this air line no mention seems to be made of connections with the United States lines. Surely some consideration has been given to linking up with the United States lines south of the Niagara peninsula. Could the minister give us some idea of what connections are contemplated?

Mr. HOWE: There are two obvious connections. One is from Toronto to Buffalo, to connect with the United States lines to New York and the east. The other is from Toronto to Windsor, to connect with the lines to Detroit, Chicago and the west. We have had preliminary discussions; but nothing definite has been developed, although we expect that a decision will be reached shortly. My hon. friend knows that at the present time there are connections between Montreal and New York, between Winnipeg and Minneapolis and St. Paul, and between Vancouver and Seattle.

Mr. McLARTY: I did not have the advantage of hearing the earlier discussion on this matter, but in answering the last question the minister referred to Windsor. I should like to know the situation with respect to that city. I realize that Windsor is not on the main line of the trans-Canada airways, but I should like to know just what the minister has in mind in connection with that city.

Mr. HOWE: I gave that information earlier in the discussion. We have been in constant touch with Windsor, and at the present time the obvious site is being used in a small way.

Mr. LENNARD: When matters of this kind are up for discussion, we hear much about Toronto, Vancouver, Windsor and Halifax—perhaps I should have put Halifax first—but there are many people who consider Hamilton to be of more importance. Could the minister tell me how Hamilton will be tied up with the route from Toronto to Chicago and the trans-Canada route?

Mr. HOWE: Hamilton is in the centre of traffic on the route west. Planes will pass there each day, and I am sure they will stop if traffic offers.

Mr. McNEVIN: Is the present route between Toronto and Ottawa the most direct? I have in mind that the railway systems follow a more southern course. What were the determining factors in deciding on this route?

Mr. HOWE: In deciding a route for this type of transportation the density of population is not important as planes do not stop very often. In this case the only stops will be at Montreal, Ottawa and Toronto; anything in between will be handled by another service. On this route the minimum of new fields are required. When planes travel at the rate of three miles per minute, the fact that they must go a few miles further is not very serious in the matter of time.

Mr. ISNOR: It has been interesting for the members from the maritimes to listen to the Minister of Transport outline the various actions taken to provide services for the western portion of Canada. On looking at the report I find that there are already six districts in operation, each with a superintendent. There is one at each of these cities: Vancouver, Edmonton, Winnipeg, Toronto, Montreal and Ottawa. From the report and the statement made by the Minister of Transport, it seems that the service is to stop at the St. Lawrence. I am in hearty accord with the view expressed by my colleague from Halifax (Mr. Finn), and I would impress upon the minister that we in the east feel that we are entitled to the same consideration as those in the extreme west. We are not envious of western members, but we ask for similar treatment for the east, and I think that is only a fair request to make. We do not think it is fair to have only one station for the whole three maritime provinces on the Trans-Canada Air Lines, and from there to have to depend

on commercial lines. I understand the commercial companies have on more than one occasion applied for a licence in the maritimes to give us an air service while we are waiting for the Trans-Canada service to be inaugurated, and that the licence has always been refused. I should like to know from the minister whether he has in the past received applications for a licence in the maritime provinces and whether they have been refused; whether he has similar applications before him at the present time, and what likelihood there is of a licence being granted so that we may get a service at once pending the extension of the Trans-Canada Air Lines service. I should also like to ask when the service from Halifax to Vancouver will be in operation.

Mr. HOWE: The situation in the maritimes has received most careful study from those competent to decide how that section of the country can best be served. We have a route from Montreal to Moncton which can be flown, as far as we can see, pretty close to 365 days in the year; but when we fly from Moncton to the coast in any direction we have fog, and the service is likely to be interrupted. It was thought, therefore, that in the interests of the service the route from Montreal to Moncton should be established, so that deliveries could be made at least to Moncton every day in the year. We have one of the oldest services in Canada flying between Moncton and Charlottetown. It is licensed by our department and has been operating for a good many years with a good deal of success. I think I am safe in saying before another sixteen months is past, I can guarantee my friends from the maritimes that we shall have an entirely adequate service connecting Moncton with the principal cities of the maritime provinces, and with equipment entirely adequate for that service.

In reply to my hon. friend's other question, we have had applications for a licence for the maritime provinces; but we have refused to grant them for the very reason I gave on the previous vote, that before granting a licence we required the ground facilities to be adequate. The ground facilities in the maritimes were not adequate, and therefore we refused to grant the licences. But the planes insisted on flying, and of a fleet of five planes I think two are still intact. Fortunately there was no great loss of life. Until we get these facilities, which we shall endeavour to complete this year, we are not going to grant licences to fly in the maritime provinces.

[Mr. Isnor.]

Mr. FINN: I do not think the minister was quite fair to the maritimes in his statement. He talks about accidents and death. Did they take place in the air or at the landing fields?

Mr. HOWE: Landing fields.

Mr. FINN: Not at the landing field in Halifax. The sum of $65,000 has to be spent in connection with the air field there, and nothing has been done. I think we are entitled to something a little more definite than the minister's statement that we shall have a service within sixteen months or two years.

Mr. CLARKE (Rosedale): The minister, in replying to the hon. member for Davenport (Mr. MacNicol) in reference to transportation from Toronto island to the mainland said that he would put on a chain ferry. Now a chain ferry, as I have known them, is a kind of scow with a chain fastened on both sides of the opening and drawn through the scow, bringing the scow across from one side to the other. It is a very slow means of transportation, and certainly it would not fit in with the wonderful service the minister is anticipating giving to the people of Canada. I know Toronto bay very well, having had boats on the bay for a number of years, and I understand there is a great number of speed boats in Toronto bay which would be available and could transport airplane passengers from the island to the city very much better than any chain ferry. I think it would be possible for the minister to have these speed boats transport passengers from the point where the airplanes will land to the foot of York street, which is within four hundred yards of the union station, within a little more than five minutes, and I do not think the cost would be very great. I would suggest, therefore, that the minister give consideration, as a temporary means of transportation at all events, to using speed boats for transporting airplane passengers from the island to the city.

Mr. HOWE: So far as the service between the island and the city is concerned, that is entirely a matter for the city of Toronto. The airports are both owned by the city of Toronto. We contribute part of the cost. Toronto will operate the airports, and we will lease from that city certain facilities which we require.

Mr. CLARKE (Rosedale): Then so far as the government is concerned, the island being the airport, that will be the place to dump off passengers for Toronto! Just dump them off at the island! Never mind about how they

get to Toronto! Dump them off at the island —as if that was their destination! Is that what the minister means?

Mr. HOWE: We shall certainly demand that transportation be provided from the island or we shall not go there.

Mr. McIVOR: I have two things to commend the minister for, first for his efficient staff, a representative of which visited the head of the lakes this summer. I was appalled at the amount of work that had to be done before a landing field could be brought into existence. It is necessary for cities themselves to be air-minded, as this committee seems to be to-night, and it is necessary for the city to cooperate in providing landing facilities. We shall have at the head of the lakes a landing field that will not be surpassed even by the one at Vancouver, and anybody from the east who wants to visit the great wheat fields of Saskatchewan will find a nice cool spot at the head of the lakes to land, because Fort William passed their by-law yesterday.

Another thing for which I would commend the minister is that not even a cabinet minister will get a free ride in these planes. That means that there will not be any passes even for members of parliament. We should commend the minister for this unselfish act.

Mr. HARTIGAN: I was quite disappointed when I heard the minister outline the air service as regards the maritime provinces. It is almost enough to make persons coming from the maritime provinces feel that they were ostracized as far as airport services were concerned.

Mr. SPENCE: You ostracize yourself by living there.

Mr. HARTIGAN: We feel that we are still a part of Canada; we have supported every move for the benefit of Canada; our people are spread over every part of the dominion; our ancestors were pioneers in most of the services that originated since Canada was Canada. It comes down to this, that the maritime provinces have been left out in the cold to a very great extent, since the Canadian National railways took over the Intercolonial railway. I do not blame the minister at all for this; but it is just one more instance of the fact that our civil service appointees, men who have probably been long in the service, and "know it all," cast their eyes over Canada and say, "This is for this, and that is for that." Is there any person who has the least inkling of what is going on in Canada to-day who will contend that the dominion can, on the one hand, get rid of government responsibility in the transportation of passengers from Moncton to Halifax and Sydney and, on the other, assume full responsibility for transportation, machines and equipment, airport facilities and everything else from Moncton west?

As regards the provision of facilities from Moncton east we know that even under to-day's conditions fog is practically no impediment, because the beam ray will take planes in. We know that it took planes in from the Pacific coast in the height of fog, because, listening over the radio, we were told of the arrival of Miss Earhart's plane when she landed in San Francisco, and there was a severe fog at the time. That, in spite of all the improvements which have been made, all the equipment which has been provided, and the vast amount of money which the dominion is asked to vote for air services, one of the oldest provinces of Canada is to be left without proper facilities, redounds to the discredit of the aviation branch of the dominion government.

Mr. HEAPS: I do not know much about air services; but I observe that the government is about to spend approximately one and three-quarter million dollars, and I see that the minister is being pestered on all sides by hon. members from every part of the country suggesting that their particular locality is the best place to spend this money on. My suggestion to the minister is to take very little notice of appeals of this kind. He should be guided solely by what he considers is the best advice obtainable from the most competent officials. That being done, I do not care what part of the country gets the service. Sometimes we regard Canada as the centre of the universe, and Winnipeg may be the centre of Canada, but I am not asking particularly for any service in Winnipeg if the requirements are not there to justify it. I do say this, that one hon. member after another in this chamber should not rise in his place and demand from the minister certain facilities if the services are not required. If they are required in the maritimes, I am satisfied to leave it to the minister and his officials to provide the necessary facilities.

Mr. FINN: You do not represent the maritimes.

Mr. HOWE: I may say with reference to the maritimes that $300,000 have been spent. We have fields under way at Upper Brockway, Blissville, Cambridge, Havelock, Moncton, West Brook and Stanley, and we have

fairly adequate municipal fields at Moncton, Saint John, Halifax, New Glasgow and Sydney. We have good municipal fields at Charlottetown and Summerside. With the work we expect to do there this year we believe that the maritime provinces will be as well equipped as any other part of Canada.

Mr. HEAPS: In view of the statement the minister has made as to the amount of money already spent, can he give the committee some idea as to what the revenues are likely to be after all the fields have been equipped and the services are in operation?

Mr. HOWE: The hon. member means, the revenue for the use of the fields?

Mr. HEAPS: All told.

Mr. HOWE: It is very hard to estimate that. There is no service now. We are starting from zero to build a service. We anticipate that it will be self-supporting from the start. Just how long it will take to make the fields themselves self-supporting I cannot say.

Mr. HAMILTON: Having listened to those who are getting the cream of the service, and not wishing to speak for my own constituency in particular, I believe quite a number of members will be interested in knowing whether there is any general policy with reference to feeder lines, if at a later date the minister can say what policy will be adopted in so far as the Canadian airways are concerned as to feeders into the main trans-Canada system. Many cities and areas of considerable settlement are off the main air line, and I believe that a large part of the country would be interested in knowing if there is any policy or any anticipated policy as to how that situation will be dealt with.

Mr. HOWE: As I said before, it altogether depends on the traffic that will originate on a route of that kind. If there is a real advantage in moving mail by aeroplane rather than by train, there will probably be a reason for the route and revenues to warrant its establishment. It all depends on that. Anywhere that private enterprise can find a profitable operation, they will undoubtedly apply to the post office for payment for a mail service, which is the back-bone of all operations.

Mr. HAMILTON: That will be by private enterprise?

Mr. HOWE: Private enterprise.

Mr. POTTIER: May I remind the hon. member for Winnipeg North, dealing with the statement that we from the maritimes should leave all these matters of policy to the minister, that we are quite willing to do that if the west will follow the same policy.

[Mr. Howe.]

Mr. HEAPS: So far as I am concerned, I am quite willing.

Mr. POTTIER: As I understood from the minister, the policy of the department is to have a centre station at Moncton and then connect with other cities. Did the minister mean only cities in the maritimes, or towns, or districts? Are we to take it literally that the orders are to connect only with the cities?

Mr. HOWE: I should perhaps have said, large centres of traffic.

Mr. LENNARD: I also am rather in disagreement with some of the remarks of the hon. member for Winnipeg North. In referring a few minutes ago to Hamilton, I am sure the minister knows I did not ask him to spend one cent there. I would, however, ask him what his findings were when he visited that city last summer, as to whether the city is cooperating, and just what the conditions were as he found them.

Mr. HOWE: The situation at Hamilton was very fully explored. A tentative agreement was drawn up by our department, and we are waiting for the city of Hamilton to execute it. Then we shall be ready to proceed.

Mr. McINTOSH: I was not in the chamber when the discussion started this evening on the main transcontinental air line. From the standpoint of the province of Saskatchewan and the constituency of North Battleford there are some aspects of this transportation problem by air that are interesting and important. I wish to stress a few of these. For instance, there is the trans-Canada air line passing through the southern part of the province from Winnipeg to Lethbridge. I understand that the main port of call, in fact the only one, is Regina, and that will develop air business east and west; but it does not touch the northern nor the central part of the province at all.

The whole trend of business and population now is northward and this will continue, not only during the next ten years but decades after that. Consequently, from the standpoint of air development there are other angles of the question that are of great importance. Take, for instance, trade into the north. I understand that the minister is dealing largely with the main air line and the development of business on that line and, therefore, I shall not go into the question of northern development by air to-night. I shall do that again. It is, however, becoming more important every year, and places from which that northern air business will be developed—and is developing—will be the leading points across the northern part of the province, North Battleford, Prince Albert, Melfort and so on.

Next, there is the feeder air line service. I understand that this service into Regina will be a five city tie-up which will include Regina, Moose Jaw, North Battleford, Saskatoon and Prince Albert. If the minister has not made a complete statement with reference to this feeder air service, I should like to have a few words from him in that regard if he has anything important to mention.

Mr. HOWE: I understand that the Post Office Department is now calling for tenders for the service to serve these cities. The schedule has been prepared by that department to suit their requirements, and it is expected that the contract will be awarded shortly.

Mr. ROSS (St. Paul's): I appreciate the fact that money is necessary for the development of trans-Canada airways, and for Canada what is contemplated is a large expenditure. Can the minister tell us whether the department has made any estimates of the approximate deficits which will be incurred in connection with airways for the next five or six years?

Mr. HOWE: The airways divide themselves into two parts, one being simply operation, the other the maintenance of airports. Trans-Canada Air Lines will handle the operation and it is thought that this will be self-supporting from the start; but as regards revenue from the air fields, it is hopeless to expect any return until there is a greater density of traffic than exists at the initial stage. One plane landing per day at a field will not pay the operating expenses of that field. It is difficult to say how many years it will be before the fields themselves pay their operating expenses.

Mr. ROSS (St. Paul's): The minister says it is hard to tell us how long it will be before they pay their way. We should like to know what the cost will be. Is it going to be $5, or $500, or $50,000,000 or what?

Mr. HOWE: The cost of operating the department's fields—radio and weather service—is a little short of a million dollars a year. We shall recover a little of that but, in the initial stages, very little. There will be some revenue from the use of the fields.

Mr. McINTOSH: Can the minister tell us approximately when the five city daily air feeder service from Regina, through Moose Jaw, Saskatoon, North Battleford, to Prince Albert and back to Regina will likely commence?

Mr. HOWE: That matter is not within the jurisdiction of this department, but I assume, from the developments which are taking place, that it will be around June or July.

Mr. PERLEY: The hon. member for North Battleford (Mr. McIntosh) has taken us back to Saskatchewan, and I would ask one or two questions relative to that province. Can the minister give us some details with regard to the airport now in course of construction south of the town of Broadview, Saskatchewan, and why the landing field that had been established near the town of Broadview was abandoned? That was a port on which there had been a considerable expenditure for improvements and it was a nice level field taking in nearly a quarter section. I should like to know why it was abandoned and a field some eight or ten miles further south taken instead. At the same time, would the minister give us some details with respect to the amount that will be expended on improving the airport at Regina. I have asked all these questions at once because it is difficult to get the floor.

Mr. HOWE: The Broadview airport was leased by the government. The field was about fifteen miles off the straight line; we straightened the line and put the beams on, and we found it desirable to purchase another piece of property at Broadview. The land cost $1,486.50.

Mr. BENNETT: How many acres?

Mr. HOWE: Roughly, a square mile. Answering the question with regard to Regina, the department contributed $48,000 to the Regina field this year, which is the amount the city is entitled to, having regard to the amount the city itself spent. The Broadview field is 585½ acres.

Mr. PERLEY: In a return tabled it was given as thirty acres.

Mr. HOWE: That thirty acres is the site for the beacon, the radio beam station. That is away from the main airport; I was referring to the main airport at Broadview. Two miles away from that, thirty acres of land were taken over for the radio beam, but that is another transaction.

Mr. STEWART: Reading this item, I notice in brackets after it the word "capital." I take it that this is a capital expenditure and I shall be glad if the minister will explain it; that is, the capital set-up, how much has been invested in this way, and whether in that is included the cost of fields which were established some years ago under a relief program. What is the capital investment, how is it set up and how is this to be paid? Is it to be paid by borrowing? In the public works department, where we had a capital expenditure it was not paid out of revenue at all. The expenditure on the airway

to date is about $9,000,000, including the money spent under relief votes. About $5,000,000 has been expended by the civil aviation branch directly. This, I understand, has all been charged to revenue.

Mr. ESLING: In view of the fact that federal engineers have been running lines on Kootenay flats in the vicinity of Creston, is the minister in a position to say whether the construction of a landing field at that point is being considered?

Mr. HOWE: A field is being considered there. It is a wide valley; we would like to have a field that is capable of being approached as a blind landing, but we have not finally decided yet to establish a field at Creston.

Mr. ESLING: In view of the fact that the industry at Trail is credited with having the largest export mail of any industry in the dominion, is the minister in a position to suggest what means of reaching the main lines of service will be followed?

Mr. HOWE: I am not able to do that at the moment. The matter of stops and subsidiary services is largely one for the Post Office Department to work out. We operate this service largely to meet the requirements of the Post Office Department. As far as our own operation goes, of course the fewer stops we have the better it suits us.

Mr. MASSEY: What arrangements are being made or what are the plans in connection with taking mail from incoming ships either at Halifax or in the gulf of St. Lawrence? At present there is, I believe, a service that runs from Montreal and Quebec to Rimouski—or is it Father Point—and mail is taken from the transatlantic ships there and flown to those ports. Is it the intention to continue that service and also to extend the service to and from Halifax in the winter?

Mr. HOWE: We have a service in summer from Father Point to Montreal. That service will be continued this year, and when the transatlantic service starts both services will be combined. Naturally we shall move all the mail we can by air.

Mr. ISNOR: That would apply only to the summer months?

Mr. HOWE: Yes.

Mr. ISNOR: What about the winter?

Mr. EVANS: What is the position as to the radio beam station at Maple Creek? Is it the intention to move that station from that town north?

[Mr. Stewart.]

Mr. HOWE: Yes, that is the intention; the field will be moved north.

Mr. EVANS: Both the station and the field?

Mr. HOWE: Yes.

Mr. MASSEY: What type of ship is it planned to fly on the trans-Canada route, and what designating insignia does the minister plan to place upon them?

Mr. HOWE: Standard equipment will be the Lockheed 14; the designation will be TCA with a maple leaf.

Mr. MASSEY: How many passengers do they carry? Are they over-night planes?

Mr. HOWE: The planes have fourteen seats; that would be twelve passengers. There is no sleeping accommodation; but they are very comfortable planes, widely used in the western section of the United States for overnight work.

Mr. MASSEY: Is it the plan of the Trans-Canada Air Lines to fly bigger ships later, depending on how much traffic there is; and, if so, will they be sleeper planes? The minister I believe, mentioned it is an over-night flight from Winnipeg to Montreal.

Mr. HOWE: The size of the planes of course will depend entirely on the density of traffic. I hope the traffic will soon warrant larger planes, and, if so, we shall certainly provide sleeping accommodation.

Mr. MASSEY: I notice the amount to be spent under this item this year is approximately the same as last; therefore one can assume that there will be steady development of the airways. I think I mentioned last year when the estimates were before the committee that we are not naturally an air-minded people in Canada yet, as far as passengers are concerned. That is strange in view of the fact that we are the nation which has flown more freight than any other two nations together in the world, and as I have already mentioned, has been most successful as far as pilots are concerned. The success of this system will depend entirely on the amount of traffic carried. Bearing in mind that we, as a people, are not particularly air-minded, has the minister anything to tell the committee in regard to projected advertising to bring to the attention of the people of this dominion the fact that they will have available an air transport system which is efficient, rapid and safe?

Mr. HOWE: Plans are being laid for a publicity campaign. The advertising for

the line is in the hands of the Canadian National Railways now and will continue to be under their guidance. But it is the intention to do a suitable amount of advertising for this line. At the moment, of course, all energies are being devoted to placing the line in operation and no great consideration has been given to the details of traffic arrangements.

Mr. MASSEY: What has been done in regard to the tying-in of the present northern Ontario routes for flying freight? As the minister well knows, and as I have just stated, we are flying more freight in northern Ontario and the northern parts of the prairie provinces as well, than any other two nations in the world. Is there any tie-in of the Trans-Canada lines planned with these present private lines? Is it the intention that they remain as private lines, functioning as they have in the past?

Mr. HOWE: The private lines of course are functioning now, and the Trans-Canada is not. But the Trans-Canada will have stops at the main air bases from which these private lines fly, and there will be traffic arrangements with them. We are not interfering in any way with the private flying that is now being done, and will not do so except to cooperate in exchange of traffic. But our line is very favourably based to tie in with these operations.

Mr. MASSEY: Last year the minister stated that it was the intention of Trans-Canada Air Lines to have no service between Toronto and Montreal, the two largest population centres in the dominion. It seemed strange to some at that time that that was to be the case. To-night the minister mentioned that the route from Montreal would pass through Toronto. Does he mean that Trans-Canada planes will fly to Ottawa, to Reay, to Toronto and to Winnipeg, or is it the intention to fly direct from Montreal to Winnipeg and run a feeder line to and from Toronto as was suggested last year? And is it suggested that there will be a direct line from Toronto to Montreal without going roundabout?

Mr. HOWE: I covered that earlier; planes will leave Montreal for Ottawa, Killaloe, Reay, Toronto, and then from Toronto back to Reay and on to North Bay and the west. As the traffic develops, we hope there will be sufficient for a plane from Montreal to Vancouver and another from Toronto to Vancouver, in which event there will undoubtedly be a short service between Toronto, Ottawa and Montreal. But the air fields that I have mentioned will be those used for that service, being expensive fields and fully equipped. No purpose would be served by trying a shorter route; with the high speed equipment we are using the saving of distance would be fully offset by the slower type of plane that would have to be used on the shorter route.

Mr. MASSEY: Has the minister any idea of the flying schedule that will be planned between, say Toronto, Montreal and Winnipeg, or Toronto and Winnipeg?

Mr. HOWE: Yes. The present plan which I think would suit the Post Office Department is to leave Montreal at eight o'clock, be in Ottawa about eighty-thirty, Toronto about nine-thirty, leave for the west about ten o'clock, arriving at Vancouver the next day at noon.

Mr. GREEN: What is the situation with respect to the transatlantic service. What are the plans for that service?

Mr. HOWE: Test flights were carried out last summer with equipment which happened to be available, and those flights proved to be very successful. From the data collected, the planes which will actually be used in the routes are now being developed, and it is expected that further flights will take place as soon as spring arrives. I think it is quite within the range of possibility that mail will be carried on that route before the end of this season, although I cannot say that definitely. We have had information from England and the United States indicating that there is a possibility of that being carried out. I may say that everything which has been found out to date with respect to that route is entirely favourable, and we think it is only a matter of a year or two before the service will be in steady operation.

Mr. GREEN: What service is to be given, and what length of time will be required to fly the route?

Mr. HOWE: Something less than twenty-four hours from Montreal to Southampton. I believe the service will be twice a week, each way.

Mr. GREEN: What plans are being made for a route from British Columbia to Australia, New Zealand and the orient? Has that been under consideration?

Mr. HOWE: No.

Mr. McCANN: What amount has been expended to date on the airport at Killaloe? Is the work completed, and, if not, what is the contemplated expenditure this year?

Mr. HOWE: The cost of land at Killaloe was $8,488; the expenditure to date in the development of land was $86,364, and the estimated expenditure to complete, which will be carried out this year is $11,720.

Mr. GRAYDON: As the minister is aware, the auxiliary municipal airport for Toronto is situated at Malton, in the county I represent. We are very proud of the airport, and have been told on many occasions that it is perhaps one of the greatest airports on the continent. I have heard with much interest and satisfaction statements which have been made by some hon. members concerning other airports in Canada. I should like the minister to assure me that the Malton airport ranks with high favour among the various ports of Canada. Perhaps he would be good enough to say whether or not the Malton airport is at present highest in standing of all those in the dominion.

Mr. SPENCE: The city of Toronto pays for it.

Mr. HOWE: There is no airport at Malton yet; but it is well spoken of, and I think when it is completed it will be a very fine airport.

Mr. PURDY: I am sure other hon. members from Nova Scotia were disappointed this evening when we heard that the trans-Canada air line would end at Moncton, instead of Halifax. I have before me a map published a short time ago by one of the departments, in which the Trans-Canada Air Lines are shown as going to Halifax. I am sure the Minister of Trade and Commerce will be disappointed to get word to-night that that is not so, because in the publication "Canada, 1938" the map appears, and in a statement signed by the minister I find:

> The hand book is designed to serve two purposes. To those outside of Canada it will give a well rounded picture of the Canadian situation from Atlantic to Pacific. In Canada itself it will help to provide a better basis of information for dealing with current problems.

My first question is this: Is it now proposed to change the name of the Trans-Canada Air Lines to conform to the actual situation of the proposed route? My second question is, coming down to serious matters: What has been the experience as to fog conditions at Stanley, in Hants county, where intermediate landing fields are being developed?

Mr. HOWE: All I can say is that it is a trifle better than Halifax, but not as good as Moncton.

Mr. BROOKS: I do not wish to say much concerning the eastern terminus of the Trans-Canada Air Lines. I believe, however, that the minister and his department might well be commended at least by some hon. members from New Brunswick for selecting Moncton as the terminus. It is well known that Moncton and its vicinity are free from fog, and it is known, too, that when a few years ago the Italian airmen were selecting a port to land their ships on the Atlantic coast, they selected Shediac, because it was more free from fog than any other part of the Atlantic coast in the vicinity.

Mr. FINN: Just then.

Mr. BROOKS: I do not think the minister is to be condemned for having selected Moncton as an airport. I am inclined to think he should be commended.

Mr. FINN: The hon. member who has just taken his seat has made a statement which I believe is absolutely correct. It appears to me that there is a lack of candidness, not on the part of the minister, but on the part of those who are supplying him with information. The crux of the situation is that, so far as the east is concerned, the trans-Canada airways will go from Shediac, in crossing the Atlantic. No transatlantic liners make Shediac a terminus. The Minister of Transport is responsible for the Canadian National Railways, the largest single transcontinental system in Canada or the United States. When the St. Lawrence is closed by ice, Halifax is the natural port; I do not say that in a spirit of rancour or to cause discord.

I will say that all Canadian Pacific ships going to Saint John, carrying passengers, land first at Halifax to drop passengers and mail. Are the passengers on Atlantic liners landing at Halifax to be told that they will be taken care of by some fantastic private company, and probably sent off into eternity before they reach their destination at Moncton or Montreal? I believe we are entitled to this information from the minister, or the officers of his department. Those officers are highly paid; therefore they must be highly efficient, and he must have all the information necessary to give each hon. member a full knowledge of what he is going to do with the trans-Canada airway system.

The Minister of Transport stated that the airways were to be taken care of by the Canadian National Railways, and that Mr. Hungerford, the head of the railways, is to be head of the airways. At first we were going to have fifty-one per cent of the stock; and the balance was going to be given to the public. However, so far not one dollar's worth has been sold to the public. It all remains with the Canadian National Railways. These gentlemen—President Hungerford, his

officers and board of directors—have padlocked the whole Canadian National railway system, and it would take all the tons of dynamite used in the late war to get satisfactory information from that president and board of directors. They simply tell us it is none of our business. They are a corporation within themselves—and a corporation is not supposed to have any soul. But we have souls. We are responsible to the people who have sent us here. We are entitled to the information, and we should get it. We are not living in Russia. We are not living in Italy. We are not living in Germany. We are here, in a young and great democratic country, with infinite possibilities ahead of us. The democracy of this country is demonstrated by the fact that there are so many different groups outside the "two great parties" that have always been the leaders of the people.

A short time ago the Minister of Transport made a damaging statement with reference to air travel from Moncton to Halifax. He stated that there was too much fog and that too many people had been killed. When I asked him for detailed information, his answer was a smile. That information has not yet been given. I do not expect this information to-night, but I think the minister should assure me and other members of the committee that he will have the officers of his department tabulate all accidents which have happened since he has been head of the department. This tabulation should show the number of accidents that happened in the air, the number that happened when planes were approaching the landing ports, and the number that happened after the planes had landed. With that information before us we shall then know whether the statement should be retracted. I am quite sure that when the minister has that information he will be only too willing to retract his statement. It is a black eye, and we get too many of them down in the maritimes and particularly at the port of Halifax.

I do not want to say anything further about the port of Saint John, other than to say to my hon. friend that there is ten times as much fog in Saint John as ever comes into Halifax. The fog is off Halifax harbour; it does not come into the harbour. Flying would be perfectly safe if you had a radio beam. I can remember the first trip the minister took. He started off in thunder and lightning and had to come back when the beam was not working. They got it working and he took another try, landed in Winnipeg and finally arrived safely in Vancouver.

I should like him to reverse that trip. I want him to start, not in thunder and lightning, but on a starry night. I want him to fly east and I know he will find that the conditions he spoke of to-night do not exist. This trans-Canada system should extend from Vancouver to Halifax. That was my understanding of the undertaking when it was first mooted. It may be all right for the flyers if they are going to stop at Moncton or go down to Shediac. The Italian flyers flew there and they considered it the best place possible. They did not know anything about Canada and they had better get Mussolini to let them come back again. I am reminded of the famous flyer who landed at Toronto and then said he would never come back again. That was a damaging statement to be made by a pilot of outstanding ability.

I do not want to prolong this discussion, but I want to remind the minister that Nova Scotia is not being considered as part of this trans-Canada airway scheme. We do not want to be sectional, but we feel we are entitled to the same consideration as has been given to other parts of Canada. My hon. friend said to me in conversation that this year Halifax has had the greatest tonnage in shipping in her history. That may be so, but that does not mean that employment is given to our men. Many of the liners anchor back of "George island," and the tenders go out to meet them; the only money paid out is to the pilots and by way of port dues. The stevedores and dockworkers still remain at home and many of them, as well as their families, I sadly fear, are hungry to-night in their homes.

These conditions must be ameliorated. I think I speak for other hon. members from Nova Scotia as they spoke for themselves to-night, when I say that we are not going to put up with this treatment. We are not speaking in any narrow sense, but we feel that we should start right on this matter. We started wrong on the railways, so let us keep the airways out of the Canadian National Railways. The only information we can get about the railways as to money expended is the capital expenditures. If the bookkeeping for this system is to be the same as that used in the Canadian National Railways under President Hungerford and his board of directors, then there will be a fog all over Canada. We shall know less about the airways than we do about the railways, and about the railways we know practically nothing, apart from capital expenditures to better the system.

I do not make these remarks in a personal way; but in view of what has happened in the past, considering the present and looking down the vista of the future, I think we should start this thing right. I believe this has

been exemplified by the action taken by the governments of the various provinces in connection with the amendments to the British North America Act and the righting of the wrongs that have been done under that act. Now is the time to deal with this matter and get it on a solid foundation. Then, with the expert knowledge which the minister has at his disposal, we shall be able to deal intelligently with the voting of these vast sums of money. The government seems to be disinterested as far as Nova Scotia is concerned, but I think we are entitled to get the information when, where and how—I mean "h-o-w", not the hon. minister, "H-o-w-e".

Mr. SPENCE: We have had a long discussion on a subject with which few of us are familiar. I congratulate the hon. member who has just sat down upon the pertinent remarks he has made. Attention should be given to what he has said. I agree with the hon. member for Winnipeg North who said that he thought it would be a good thing to leave this matter to the minister. If I were in the place of the minister I believe I would select the best possible advice and operate these flying boats or flying ships from the places where the most business could be obtained. I would want to lose as little money as possible and make air travel as safe as I could, and I would pay very little attention to hon. members who wanted to give advice, such as has been given to-night. We know that every hon. member would like to have a flying ship landed in his own back yard.

Mr. FINN: I have no back yard. I live in the eastern gateway of Canada. We all know what is carved in the stone on the front of this house of parliament:

> The wholesome sea is at her gates,
> Her gates both east and west.

Mr. SPENCE: Hon. members from the maritimes are taking exception to the fact that this route is not being extended to the maritimes. I do not think the maritimes have been neglected, at least not since I entered the house in 1921. When our party was in power we looked after their ports; we took days to discuss the coal question and weeks to talk about fisheries and fishing. I do not think the government should be criticized for not bringing an airship to every one of their towns and villages.

Reference has been made to the accessibility of the island airport at Toronto. We had some difficulty in getting put through the house a vote of something under a million dollars with which to build a tunnel under the western channel. The tender was awarded and

$150,000 was spent on the job. When this government came into power they cancelled the whole thing and wasted $150,000. You will never have proper access until you have a tunnel under the western channel. As regards transporting passengers from airplanes by chain ferry, that is just a piece of nonsense. To use the motor launches owned by the harbour board would be impossible. You will be forced to build a tunnel under the harbour, and the city will be forced to build a road to the tunnel, which they kicked about doing before. The mayor of Toronto opposed the tunnel; he was the only one in the city who did, and that gave the new Minister of Public Works in this government the chance to back out and cancel the contract altogether.

The hon. member for Peel mentioned the Malton airport in Peel county as one of the greatest airports in the world. The city of Toronto paid well for it. The government should never have bought a landing field in Peel county, but should have bought it in York county where the city of Toronto is situated. However, that is gone by the board now, and we cannot cancel it. But I hope the minister will operate his flying service from the ports where he can get the best business, where he can travel the safest route and lose the least money. There is bound to be a deficit on the service for the first few years, but I hope he will not make the railways lose any more money.

Mr. MacNICOL: Change the government and all the services will be paying.

Mr. SPENCE: I would not promise that; I am not giving to making promises, and if I were the minister I would be making very few. He has been asked many questions to-night to which no man can give an intelligent answer. I am not blaming him, because people are asking him questions that no man can answer. The minister is telling the committee what he thinks might happen, but it is purely conjecture, to be taken for what it is worth.

Mr. ROSS (St. Paul's): Would it not be possible for the trans-Canada air route to be wholly across Canada, without going over any part of the United States? My second question is: What proportion of the cost of airports is borne by the municipalities and what by the dominion government?

Mr. HOWE: It would be possible, of course, to fly to the maritime provinces without crossing over any part of the United States, but it would increase the distance. It is not the intention to stop at any point in the United States. The present route is

chosen because it is shorter, just as the planes flying from New York to Chicago cross over a part of Ontario. We have a reciprocal arrangement with the United States. We reserved the right to cross over Maine when we gave the right to United States planes to cross over Ontario. If there was any particular reason why we should not fly over the United States, we could still get to the maritimes, but it would increase the distance by 210 miles, and there seems to be no purpose in doing that.

In reply to my hon. friend's second question, the municipalities build airports with their own funds. The government started a policy about a year and a half ago of helping the municipal airports so that they could be brought up to the trans-Canada standard, and under that policy the government will ultimately contribute one-quarter of the total cost of the airport. It means that if the city has already spent $300,000 on an airport, it qualifies for a government grant of $100,000 to spend on additional development; after the $400,000 is spent, if another $100,000 is needed, the city is required to pay seventy-five per cent and the government twenty-five per cent.

Mr. McCANN: Has the company established a schedule of passenger rates yet, and, if so, what approximately will be the rate from Montreal to Vancouver?

Mr. HOWE: Airplane travel costs, roughly, six cents a mile. The matter of rates has not been brought to my attention, but I dare say some people are studying it. I could not answer the question.

Mr. BARBER: I would like to take the minister and the committee back to the coast again, as we have now spent considerable time in the east. I think it was the policy of the department, when the idea of the trans-Canada service was first considered, to establish emergency landing fields about thirty miles apart. In the fall of 1934 officers of the department made a survey by plane, and selected landing fields particularly in the southern part of British Columbia. The minister mentioned two of them to-night. One of them was the emergency landing field at Hope, and the other was the emergency landing field at Langley. In that survey there was an emergency landing field at Hope, another one thirty miles west at Chilliwack, and thirty miles further west took them to Langley airport. A number of people, including those who own private airplanes and do considerable flying, are of the opinion that the department has made a mistake in abandoning Chilliwack landing field and taking up Langley. I am sure if the minister personally visited the two places—I know he went over that district one day, but he was too high up in the clouds to see the location of the two fields—he would realize the superiority of Chilliwack. First, let me point out that the Chilliwack landing field is used to-day, and has been for some time, by eight planes. It consists of 160 acres; does not require drainage, but it might require a little finishing and the putting in of runways. In 1935 the government secured an option on it for $16,000, or $100 an acre, and that item appeared in the estimates for two sessions; but immediately on civil aviation being transferred to the new department over which the minister presides, that item was eliminated from the estimates.

I find now that work is being proceeded with at the Langley airport, where ninety acres of land have been purchased at a cost of $24,411.60; I do not know how they get those odd figures. This figures out at $272 an acre, and they have expended on the field to date $48,437. In other words, the port so far has cost $72,848, and the estimated amount required to complete the field is $15,925, making a total cost of $88,773. That is the picture we have of the Langley field, and it would not be too bad if it was a field that airplanes could land on; but airmen who are passing up and down tell me that it certainly would be some great emergency before they would ever undertake to land there. The field is located at the foot of a hill, and is right in the fog belt, as bad if not a worse fog belt than Vancouver, and the field subject to flood. I have an extract from an independent paper published in the district, which I think I had better read to show the committee what the people there think of this field:

If the latter amount—

That is the $72,848 already spent:

—has been spent to get the field into its present condition, most observers will doubt the statement that $16,000 will complete it. The condition of the field was well expressed the other day by a strong Liberal when he said that there was too much water on it for land planes and not enough for sea planes. From the field's appearance during recent weeks it would require a rotary drill to find any plane that might be forced to land anywhere in the 90-acre block. Then there is the matter of fog which so frequently envelopes the field. Experts in these matters may know what they are about but to the layman the demonstration so far lacks much of what might be expressed in terms of practicability.

As regards fog conditions, I repeat that I believe, if the minister himself had seen those two fields and inquired personally about them, he would not have hesitated one minute to

choose the Chilliwack field. Why has the Langley field been chosen? First, political pressure on the minister.

Mr. HOWE: Bought in 1934, was it not?

Mr. BARBER: That does not make any difference. Options were taken on all these fields in 1935.

Mr. HOWE: 1934, I think.

Mr. BARBER: The reply to the question is 1935. The first was 1935. An option was taken at Chilliwack at the same time on one hundred and sixty acres. I am not blaming the minister personally. I would not accuse him of doing this. I believe there was considerable pressure brought to bear on him from the minister for British Columbia and from the hon. member for New Westminster, and I believe he has been misinformed by the officers of his department. I have asked for correspondence, which has not been brought down here yet, although the order for return passed the house on the fourteenth instant.

Before I left Chilliwack for the east, a letter was read to the executive of the board of trade, which reached there through Liberal channels, stating that the reason the development there was not proceeded with was that conditions in the Chilliwack district are the same as in Vancouver and Langley. That is absolutely false. Eight machines have been taking off and flying from that field during last year. One has kept a careful log which shows that there was not one day during 1937 when they could not land and take off from that field. What do we know about the Vancouver field? And Langley? Any one who travels by automobile knows that he can leave Vancouver in sunshine, get in the fog belt at Langley and break out again within ten or fifteen miles of Chilliwack field. I am advised the United air lines could not land in Vancouver from December 3 to December 23; that was but one period among others when they could not land. I say to the minister that the log which was kept last year shows that this Chilliwack field is not in the fog belt, and there is not an air man who travels that country, not a man who drives a car up and down to Vancouver, but will tell him that the fog reaches to within ten or fifteen miles west of the Chilliwack airport. That fog is like a wall. These men have taken off in their machines, gone over that wall, over that ceiling and back again. I wish the minister would look personally into this.

The department is going to spend $90,000 on a field in the Langley district. The expenditure of the money will do considerable good as far as employment is concerned, but it is the opinion of a number of air men in both Chilliwack and district that they will never be able to use that field, whereas the other one is being used to-day. That option can be renewed at $16,000, and if it were necessary to spend another $10,000 the cost would not be within a third of what the Langley field is costing. I say without hesitation that there has been political pressure to have this field established at Langley. Some Liberals in my riding have not hesitated to say, "The reason you have not got the field is because you elected a Conservative member." I do not blame the minister personally; I do not believe he would consider the political angle in connection with a policy of establishing an air line across Canada. I do not think he would say, "Here is a Conservative constituency; we cannot put our line through that, we will dodge down through the United States and back again to miss it." I believe that if the matter had been left to the minister personally; if he had gone in and looked over the situation, there would have been no doubt about his decision. I believe the department will have to come to the Chilliwack field. It was mentioned at a meeting in Vancouver the other day, that if they arrived at Vancouver in a fog, they would likely have to return to Lethbridge. I believe they fly at a height of 16,000 feet. I have done a little travelling by air, and I understand that what they do, in case of fog, is to land as closely as they can to the terminus and from there take other transportation. We were in hopes that the Chilliwack field would serve for that purpose, a field of 160 acres which has been used for a number of years.

The DEPUTY CHAIRMAN: Does the vote carry?

Mr. BENNETT: No.

Mr. HOWE: If we have made a mistake in choosing a field out there we shall very soon realize it. Once the planes are operating daily, if we need additional facilities the fact will become quite obvious and we shall have to look about for them. But I think at the moment we are so close to having an actual demonstration of the situation there, through every day flying, that we should wait and get that information.

Mr. BARBER: I am sure the local air men would be pleased to permit the minister to land on that field some day when he finds he cannot reach Vancouver.

Mr. HOWE: Thank you very much.

Mr. BARBER: Because they tell me the largest plane that reaches the coast could land on that field to-day.

Mr. BENNETT: I am sure the minister must regard the statement which has just been made as one of great seriousness. Are we to throw away eighty or ninety thousand dollars of this country's money? It is not a question of finding out a mistake and remedying it; the question is, Shall we throw away the money now that the facts have been stated? I have been at the coast several times this last year, and undoubtedly the view prevails that that place is entirely too wet to make a decent airport, at least for a land plane, and there is not enough water for a sea plane. The hon. member has brought that to the attention of the minister and has said to him: This merits investigation before further public money is expended. A man who certainly never mixes in politics, talking about business and business administration and the capacity of the minister as a business man, said he was surprised that the minister would permit this thing to be done. I wonder if the minister realizes just what is meant by it? It means we are going to throw away eighty or ninety thousand dollars on a place which cannot be made into an airport, and it cannot be made into an airport for two good reasons: One is fog, and the other is damp; one is water, the other is the condition of the air. I submit to the minister that if ever there was a case brought to the attention of the head of the department that merited the closest investigation before a single additional dollar is spent, this is that case. The minister knows perfectly well that when we had to acquire these sites away back in 1934 and 1935, some in the early part of 1935, and some in connection with relief works, what was done was not to content ourselves with taking one option; options were taken on more than one site, and then investigations were made in several cases for the purpose of ascertaining which was the better or the best, as the case might be.

I put this to the minister as a business man. In the conduct of his business, if it were represented to him by reputable people that conditions were such that it would be impossible to utilize a particular property for the purpose for which it was acquired, would he proceed without making further investigation? From what I know of him as a business executive he would not do so. To-day he is a minister, and all the pressure in the world, from all the friends in the world, should not permit him to go forward with an expenditure of public moneys without satisfying himself that that is the better site. Any other action on his part would, under our system of government, certainly place him in a most difficult position. It would not, of course, if a very large number of supporters stated that his conclusions were sound, whatever they might be. That is the essence of party government, but it is not the essence of government if the minister is to utilize the vast experience and wide knowledge he has as a business man in determining what is the best thing that can be done for the state in the expenditure of public moneys.

One word more to my friends from the maritime provinces. However difficult it may be, I never forget that I was born there; and when I realize that all the members from the lower provinces, except one, support the government in power, I realize how difficult their position is with respect to this matter. But I put this to the minister and ask him to balance it up on this basis: If you are warranted in providing a subsidy for the operation of an air service between Edmonton and the Yukon, having a population to be served with mail as limited as it is, do you think for a single moment that the maritimes should be treated in this manner? Apply that test, just that simple, single test. Later I am going to direct attention to something that came to my own notice, which would not be tolerated in western Canada. Do you realize that passengers, in order to board a train going to Saint John from Moncton—and this applies to aged people as well as the young—have to climb over a platform on a standing train? How long would that be tolerated in western Canada? And yet that is the condition which exists in the maritimes. That is the reason the maritimes complain, and properly so, about the treatment they receive.

I wrote to both the general manager and the president with respect to this treatment. The answer was, "Oh well, it has been going on a long time." Of course it has, and the people there have suffered and have endured it. But we would not tolerate it. Take the old station at Toronto. Everyone knows that the minute the train came in, it was cut in two in order that passengers might cross on level tracks. I saw an old lady down in the maritimes lifting herself up slowly, without assistance, over a platform on a standing car of the maritime express and then going down the other side in order to get on the train that would take her to Saint John. I asked, "Don't you split these trains?" I was told that they never do.

Surely it is no political consideration that urges me to make these observations, for we have no supporters from that part of the country. I would point out, however, that that sort of thing should not be tolerated. Here we find the oldest part of confederation treated in this manner, and we are told that

there is plenty of money provided for a new line, a private enterprise, from Edmonton to the Yukon, a mail subsidy being given, when we know what the population in that part of the country is. We know what the population is in the Yukon and between the Yukon and Edmonton, and we know also that there are hundreds of thousands of people in the maritime provinces. We know that the largest steel industry in Canada is situated in Nova Scotia; and the people of that province, the people of Saint John and all the community that lies around it will be told, "Oh well, some day somebody will come along and give you a service and we will help them along with some assistance." That is not fair; it is not equitable, having regard to what I have said about the expenditure of public moneys and in view of statements made in this chamber by a member of this house. If it rested on that alone it might be said to be political, but consult any business man you please. That is the situation. Let us try to see if we cannot lift this thing up a little at least out of the fog of politics into the purer air of business transactions.

Mr. HOWE: As regards the Langley Prairie airport, I inherited that. When it came to my attention, the land had been bought and the contract let to develop it. We let no new contract there and I know nothing about it personally. My officers tell me that it is the best piece of land in that vicinity. Since definite statements are made that it is not a suitable place, on the next occasion on which I go to Vancouver I shall personally examine it, and no new contract will be placed there in the meantime.

Let us understand the maritime situation. I am giving the maritime provinces the best system I know how to give them. I am not giving them a second-rate system. What is the alternative? Suppose we ran a high speed plane from Montreal to Halifax. You could hardly pass by Saint John if you went to Halifax. Well, suppose we stopped at Saint John. It is estimated by my department that such a route would have an operating efficiency of sixty per cent; we would complete about sixty per cent of the scheduled trips. With the route we have we can complete at least ninety per cent. Ninety days out of every hundred we have delivered our mail in Moncton. We have it in Moncton, anyway. If it is impossible to fly to Halifax any particular day, we can put it on the train and get it in within a few hours.

Mr. BENNETT: But there is no assurance of a movement to Halifax or to Saint John either. That is the whole trouble.

[Mr. Bennett.]

Mr. HOWE: What nonsense that is.

Mr. BENNETT: Thank you.

Mr. HOWE: Coming to the city of Regina, what do we do? We call for a specification for a route to serve the five prairie cities. We specify the type of equipment and the speed of the planes. We specify the number of stops to be made, and we require a guarantee of at least ninety-two per cent efficiency. We have said to the aviators of the world, "This is the equipment we must have; this is the schedule; this is the efficiency required. Bid us a price on mail at which you will perform that service."

Mr. BENNETT: Has that been done at Halifax?

Mr. HOWE: Not yet.

Mr. BENNETT: That is the point.

Mr. HOWE: When we are prepared for a service from Moncton we shall then similarly call for tenders from Moncton to Charlottetown, from Moncton to Sydney, from Moncton to Halifax and from Moncton to Saint John; and we shall specify the equipment. It will not be cheap equipment any more than it is in Saskatchewan; it will be just as good equipment, as comfortable from the passenger standpoint. However, the distances are short and the equipment will not be speedy, because such equipment is not required there. It will be equipment of the type that will land on the sort of field which can be built in Halifax and Saint John, the type of equipment that can be manoeuvred in difficult weather conditions; and we shall have a beam into each of these cities, so that flying will be done on just as good a beam as there is in the mainland operation. We shall have suitable facilities to handle passengers and mail at these points. We find, however, that with a small operation it is better to have private enterprise than public.

Mr. FINN: It should be all one enterprise from Vancouver to Halifax.

Mr. HOWE: If the maritimes feel that we should have government operation there, we shall have government operation. Personally I think they would be better served the other way. However, I do not suppose the expense to the dominion government would be very much different, and I would be prepared to discuss with the maritime delegation having Trans-Canada Air Lines operate those auxiliary services from the centre at Moncton. But it is perfect nonsense for any member to say here that we are not giving the maritime provinces the best. The reason we are stopping at

Moncton is that it is the best thing for the maritime provinces. If it were better to stop at Halifax we would stop at Halifax; if Saint John were better we would stop at Saint John. But what nonsense it is to say that we are not giving the maritime provinces the best it is possible to give, consistent with the service we are giving any other part of Canada. I want to make it clear that nothing of the kind is intended and nothing of the kind will be done.

Mr. BENNETT: A United States line offered to run and did run from Boston to Halifax.

Mr. HOWE: Why doesn't it still?

Mr. BENNETT: Because in the days of the old government we did not want to make ourselves dependent on a United States company.

Mr. HOWE: Quite right, and we are not going to either. However, we have a line pushing up as far as Bangor and anxious to go further. There will be ways to get to Boston from Halifax, because they fly from Boston to Montreal in two hours.

Mr. BENNETT: It was suggested they could fly from Montreal to Saint John and across the bay of Fundy straight to Halifax.

Mr. HOWE: That could be done, but it is fog operation; it would not be good.

Mr. BENNETT: Well, there is difference of opinion as to that.

Mr. HOWE: However, we are going to see that the maritime provinces are properly served just as soon as it is possible to provide that service. But we are taking the things as we found them; when we took the department over we found the fields further advanced in the west and capable of being completed in a shorter time. We believed that the way to get the line in operation was to start operation, and we found that the quickest way to start operating was to concentrate on the completion of the fields from Winnipeg west. Now we are at the point that we can start operating that section. We are going to work east just as rapidly as we can. By midsummer we shall be in Montreal. It is possible we shall be at Moncton and on to Halifax at the end of this season; but I doubt it; I think it is more likely to be the beginning of next season.

Mr. BENNETT: I am obliged to the minister for talking about nonsense. I am not directing his attention to the fact that it is not a parliamentary expression; I am content that he should make the statement. But I think he should realize this, that they were running an air line from Moncton to Charlottetown four years ago—

Mr. HOWE: And they are running it to-day.

Mr. BENNETT: Exactly. And the west that he talks about—and I live there—had not developed these lines. What is more, they have been running to Halifax during the last four years. And what is more, they have been running from Montreal to Moncton during the last four years.

Mr. HOWE: An occasional trip.

Mr. BENNETT: Yes; I am only indicating that the feasibility of it is established; that is the point. There is no question about its not being easy to do, or anything of that sort. And we have reached the point that we have made no arrangement whatever that contemplates air mail service being made available in the provinces of Nova Scotia or New Brunswick except as the mail arrives at Moncton for distribution.

Mr. HOWE: Quite right.

Mr. BENNETT: That is the story, and I say that is not in keeping with the other plans which have been placed before this country. While I owe only the allegiance that a man has by reason of birth in a particular locality, I do not think it is quite fair that we should spend all our effort in endeavouring to establish what they call feeder lines and other lines. Calgary is to be in the position of being on a feeder line. Large sums of money have been expended there, power and lighthouses established, routes surveyed, and now they say, "Well, the old field is not satisfactory for modern planes." And they need something else. The Department of National Defence, on which we have spent a large sum to provide an air field, is not going to cooperate with the Department of Transport for the purpose of using that piece of ground, bought by the crown, for the purpose of an air field. It is not going to be used because the Department of National Defence say it is not consonant with their dignity. I say that is wrong. I think the minister realizes that there is something wrong about that, when he says, "I asked the Minister of National Defence to do so and so but he does not want to let me have it." Have we reached that stage in this country when in regard to a field bought and equipped with the taxpayers' money, used for national defence, and with room enough to enable it to be used for civil aviation as well, they say, "Oh no, we cannot do that." Cooperation certainly means something better than that.

The minister knows this committee, this house would support him if he took the position that he must have the use of that field.

Why have two fields in one community? Why have one airport in Calgary for civil aviation and another for military aviation? It is there on top of the hill; atmospheric conditions are excellent; all that is necessary to do is to start a machine down the runway and get it off or to land there. I admit that there are certain strategic considerations which have to do with military airports, but they do not arise in connection with this matter. I say the minister would be warranted in taking a much stronger stand than to say, "The Minister of National Defence does not want me to go there." Well, the people want it; they paid for it and they have a right to it. Is it thus to remain idle—that is what it would mean practically—not be utilized for commercial purposes and the carrying of mail? After all we have done in connection with the expenditures for airports and lighting, I think that is wrong.

I am sure if the minister were similarly situated with respect to Port Arthur he would expect that some such arrangement would be made to permit this splendid airport to be used by both branches of our air service, civil aviation on the one hand and military on the other. I am sure the minister would not regard that as nonsense in business, from what I know of his capacity as a business man. In his business before he came into this house or since, he would not; or in the development of any work he has had to do, whether it were the preparation of a site for an elevator or the construction of an elevator, he would expect to coordinate every bit of facilities to attain the end he has in mind. All we want to do is to coordinate the airport facilities for the double purpose of civil aviation on the one hand and military on the other.

Mr. BETTS: Would the minister let us know how far the officers of his department will go in cooperating with civic authorities who are trying to choose a site for an airport? Will they advise and help and give the benefit of their experience and skill?

Mr. HOWE: Yes, we shall be very glad to cooperate with any city that cares to have our cooperation. Whether we can assist them financially depends on how it works in with the general scheme.

Mr. BENNETT: Is it under this item that the employment of the gentlemen whom the minister mentioned the other evening at the Chateau Laurier would come?

Mr. HOWE: No.

[Mr. Bennett.]

Mr. BENNETT: I think this item had better remain over until the next day. There are some things to be said.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 25, 1938

The house met at three o'clock.

STANDING COMMITTEES

INDUSTRIAL AND INTERNATIONAL RELATIONS—MISCELLANEOUS PRIVATE BILLS—CHANGES IN PERSONNEL

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

That the name of Mr. Taylor (Nanaimo) be substituted for that of Miss Macphail on the select standing committee on industrial and international relations.

That the name of Mr. MacNeil be substituted for that of Mr. Taylor (Nanaimo) on the select standing committee on miscellaneous private bills.

That the name of Mr. Heaps be substituted for that of Mr. Douglas on the select standing committee on miscellaneous private bills.

That the name of Mr. Damude be substituted for that of Mr. Mayhew on the select standing committee on miscellaneous private bills.

Motions agreed to.

PRIVILEGE—MR. REID

On the order for motions:

Mr. THOMAS REID (New Westminster): Mr. Speaker, I rise to a question of privilege in connection with certain remarks made last evening by the hon. member for Fraser Valley (Mr. Barber). Speaking in connection with the landing fields at Chilliwack and Langley Prairie, the hon. member made personal references to myself which I desire to correct.

The hon. member is reported on page 804 as follows:

I know there was considerable pressure brought to bear on him from the minister for British Columbia and from the hon. member for New Westminister, and I believe he has been misinformed by the officers of his department.

The hon. member was here referring to the Minister of Transport (Mr. Howe). Never at any time, Mr. Speaker, have I used pressure of any kind upon any minister or anyone else in regard to either Chilliwack or Langley Prairie airport sites.

The only representations I made were in 1936 just after this government came into office. At that time I found that the late Conservative government had taken options on property owned by two of the most notorious Conservatives in Langley Prairie.

Some hon. MEMBERS: Order.

Mr. BENNETT: This is not an explanation. The hon. member had the right to be in his place to listen to what was said and correct it at once.

Mr. SPEAKER: The hon. member should not make a speech.

Mr. REID: I have every right to defend my honour and I am going to do so. The statement is utterly false. I was not in my place because I was attending to business in my room in connection with my freight rates bill. This statement is not true; it is false.

Hon. IAN MACKENZIE (Minister of National Defence): As far as the "minister for British Columbia" is concerned, it is false.

Mr. BENNETT: "False" is not the correct word to use.

Mr. MACKENZIE (Vancouver): It is neither accurate nor correct.

BONE CREEK, SASK., FARMERS

LACK OF FEED FOR LIVE STOCK AND NEED OF RELIEF

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Before the orders of the day are called I should like to direct the attention of the government to a certain matter. I would have informed the Minister of Agriculture (Mr. Gardiner) of my intention to bring it up, but I was advised of it just before I came into the chamber. It is alleged that some seventy farmers of Bone Creek municipality have received only from fifty to sixty-five per cent of their winter hay. It is claimed that the last delivery was made on February 2, and that their live stock is starving. They have interviewed the council without result and have wired Mr. Taggart and Mr. Kember at Regina. They have asked me to bring this matter to the attention of the house. I do not expect that the minister will be able to deal with it at the moment, but I give him this information in order that he may have the opportunity of taking such action as the necessities of the case demand.

FEEDING OF WESTERN CATTLE

COMPLAINT OF ONTARIO FARMERS AS TO MARKETING OF STOCK OBTAINED FROM WESTERN DROUGHT AREA AND LARGE RANGES

On the orders of the day:

Mr. T. A. THOMPSON (Lanark): Before the orders of the day are called I should like to direct the attention of the Minister of Agriculture (Mr. Gardiner) to several complaints I had received from farmers in my riding who purchased cattle in the dry areas last fall, brought them to Ontario and fed them through the winter. These cattle are now ready for market but they find they are unable to sell them. Their complaint is that 100,000 of these cattle were brought into Ontario last year and the local market has not been able to absorb them. They find also that there is a shortage of space in ocean going vessels for export purposes. I have a letter here from a farmers' club signed by the president and secretary, in which they say:

> If we sold our cattle at present prices we stand to lose from $15 to $20 a head. But this is not the worst of it. We have large numbers of cattle now, for which we can find no buyers at all.

They have asked me in this letter to call the attention of the Minister of Agriculture to the situation because the department induced the farmers to buy these cattle and bring them to Ontario, and they feel that they ought to be given some assistance in marketing them.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the position respecting the shipping space for cattle which are now being fed in the province of Ontario is pretty much this. The demand for ocean space for cattle exports to the United Kingdom markets is developing beyond the capacity of the boats now plying between Canadian and British ports, with all boats fitted for the trade and in service now preparing to carry capacity loads. In view of this situation, which has developed during recent weeks, the possibilities of securing additional space for the cattle industry have been thoroughly explored by the dominion government, and it is fully expected that further accommodation for export cattle will be made available.

The chief difficulty is a shortage of hold and package freights, without which boats with accommodation suitable for cattle transportation would incur heavy financial losses on every eastbound crossing. That is to say, there is very little wheat for shipment this year due to the small crop of last year, and for that reason there is very little freight to go into

the holds of boats, which would make possible a carriage of cattle at the usual rates. Under these circumstances, even guarantees given steamship companies for capacity cattle loads are not in themselves sufficient inducement to bring additional boats into the service. It is quite clear that additional space for cattle is contingent upon the securing of a minimum volume of hold and package freights. The Department of Agriculture and the Department of Trade and Commerce have this matter clearly in mind and are actively engaged in attempting to find a solution.

The steamship companies are anxious to cooperate and have indicated their desire to assist in every way possible. In other words, the steamship companies are quite willing to carry additional cattle, but realize that the carrying of cattle is directly dependent upon securing other cargoes. The opening of navigation on the St. Lawrence will improve all freight movements. An indication of the steamship companies' desire to cooperate is shown in the fact that they have already effected changes whereby additional space has been made available in the boats now in the service.

At present no cattle boats are unloading at the port of London and the possibilities of the receiving of cattle at that port are being thoroughly canvassed. The position is somewhat complicated by the fact that boats unloading at that port are carrying for the most part bacon that is being shipped from Canada to Great Britain, and the placing of cattle upon those boats would necessitate holding the boats over for from twelve to twenty-four hours in the port of London before unloading. It is not considered advisable, therefore, to put cattle on these boats, and thus hold up the unloading of the bacon.

During 1937 exports of cattle to the United Kingdom totalled 9,610 head. The capacity of the boats now in service to United Kingdom ports will accommodate 46,000 head during 1938. That space has all been booked up for the year. Only 46,000 head can be shipped with the space now available.

I think, Mr. Speaker, that members of the house will realize something of the difficulties when I say that in the previous year, that is two years ago, there were some 6,000 head shipped; in the following year somewhere between 36,000 and 40,000 head, and last year 9,610 head were shipped. This year there is a demand immediately for the shipment of probably some 20,000 head of cattle in addition to what there is space for. The fact that there are such variations in the demands made on shipping space between Canada and Great Britain has considerable to do with the present situation.

[Mr. Gardiner.]

As to the figures quoted with regard to the number of cattle brought down from the west, I think it will be found on close examination that only about 20,000 head of these being fed in the section of the country immediately concerned were actually shipped under the assisted passage scheme. Others were brought down partly because of encouragement given to shippers to go west. I am told, and we have had investigation made in the countries concerned, that the great majority of the cattle that are creating difficulties because of the prices paid are not cattle that came out of the immediate drought area but are cattle that came off the large ranges, and for which farmers paid a considerable price. Their agents who went west purchased the cattle and brought them down. Most of the cattle that passed through the Carberry pasturage were purchased at prices that make it still possible for the farmer probably to break even, even if he cannot do any better at the moment, and of course any future advance in prices would be to his advantage.

Mr. BENNETT: What is the matter with the American market?

Mr. GARDINER: I am not in a position to give details with regard to that, but I know that there was a considerable number of cattle moved out of western Canada and out of the western states into the feeding areas of the United States where corn was plentiful, and those cattle would be coming on to the American market about this time.

SHOP CARDS REGISTRATION

REQUEST THAT BILL NO. 22 STAND FOR OPINION OF DEPARTMENT OF JUSTICE

On the orders of the day:

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I would like to ask the Minister of Justice (Mr. Lapointe), in relation to Bill No. 22 respecting the registration of shop cards by labour unions, which was introduced by the Secretary of State (Mr. Rinfret) and is, I understand, a government measure, whether it would not be possible to have the opinion of the Department of Justice before the bill is further proceeded with, as to whether, if passed, it is intra vires of this parliament. I had considerable experience with a similar proposal at the time the Unfair Competition Act, 1932, was passed. It was then proposed that a similar provision should be inserted in that bill, and when the bill was before the banking and commerce committee all the lawyers who appeared before it were, I think, unanimous in their opinion that the provision was

ultra vires of the parliament of Canada. I think it would be expedient that we should have an opinion from the Department of Justice as to whether it is intra vires of this parliament, before we proceed with the bill or report it out of committee of the whole. If the Minister of Justice could deem it possible to accede to that suggestion, I think it would be very helpful to us.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I shall be pleased to do what my hon. friend has just asked.

FOREIGN POLICY

ATTITUDE OF CANADIAN GOVERNMENT AS TO BRITISH POLICY AFFECTING LEAGUE OF NATIONS AND RELATIONS WITH ITALY

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the recent statements made by the Prime Minister of Great Britain expressing non-confidence in the League of Nations and foreshadowing a concordat with fascist Italy, has the government of Canada been consulted regarding changes in policy; and, if so, has approval been given by the government?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend was kind enough to advise me of his intention to ask this question, and I am therefore in a position to give him an answer immediately, but before doing so I should like to bring his attention and that of other hon. members to the rule of this house with respect to how questions are to be put and answered. Standing order 44 reads:

> Questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs; and to other members, relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same. And in answering any such question the matter to which the same refers shall not be debated.

I would direct attention also to the citation from May, which appears in paragraph 349 on page 113 of Beauchesne's Parliamentary Rules and Forms:

> The purpose of a question is to obtain information and not to supply it to the house. A question may not contain statements of facts unless they be necessary to make the question intelligible and can be authenticated; nor should a question contain arguments, inferences, imputations, epithets or controversial or ironical expressions.

Now may I read my hon. friend's question:

> In view of the recent statements made by the Prime Minister of Great Britain expressing non-confidence in the League of Nations and foreshadowing a concordat with fascist Italy, has the government of Canada been consulted regarding changes in policy, and if so, has approval been given by the government?

It was I think unnecessary for my hon. friend in asking his question to say that the statements recently made by the Prime Minister of Great Britain expressed "non-confidence in the League of Nations and foreshadowed a concordat with fascist Italy." It was not necessary to have inserted those words, and according to the rule of the house I have quoted, those words should not have been included. Also:

> Has the government of Canada been consulted regarding changes in policy?

Those words "changes in policy" also raise a controversial question and are not necessary for the information which the hon. member seeks.

Yesterday I was reluctantly obliged to draw attention to a question asked by another hon. member and to point out that it was not a proper question to ask. While the government is most anxious to give the house all the information possible on matters of public interest, it should I think, be recognized that we have to be particularly careful at this time not to ask in this house questions, with respect to what happens in the parliaments of other parts of the British empire or parliaments of any country anywhere, in a form which will be misunderstood and will occasion embarrassment or resentment there or elsewhere. The question should be put in a form which will permit of a direct answer being given thereto. If my hon. friends' question is, "in view of recent statements by the Prime Minister of Great Britain, has the government been consulted regarding policy with reference thereto, and if so has approval been given by the government?"—I believe that covers what he wishes to know—my answer would be, no, the government has not been consulted with regard to the policies referred to, nor has the government expressed any opinion with reference thereto.

DIVERSION OF WATER

PROPOSED RAISING OF GREAT LAKES WATER LEVEL—INQUIRY AS TO TABLING OF CORRESPONDENCE

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): On February 17 I asked the Prime Minister (Mr. Mackenzie King) a question with reference to a letter—I shall now have to be careful in referring to another government—which had

been read the day before in Washington to the United States congress, and which was written by the premier of Ontario, with reference to diversion of waters from the great lakes. I am sure that if the Prime Minister of Canada read the letter of the premier of Ontario he would be astonished at its contents. In replying to my question the Prime Minister said he would this week give the house a white paper containing full particulars of all the correspondence between this government and the Ontario government with regard to the matter which was brought up at Washington. It has not come down yet. May I ask when it will be tabled?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am glad that the hon. member has asked me that question, because at the time I answered the question to which he has referred I fully expected that the white paper would be ready to lay on the table this week. It is possible that it will be ready to lay on the table on Monday; I think I can promise my hon. friend that it will be ready at that time. It is a larger document than was anticipated, and it is being translated and printed in French as well as English; I should like if possible to table it in both languages at the same time.

While we are referring to this matter, may I inform the house that I have delayed going on with the second reading of the export of power bill until the house had before it these various communications, as I believe the house will wish to have that material available for reference in the course of debate. If the correspondence is tabled on Monday I shall hope to proceed with the second reading of the power export bill on Tuesday, unless there is some objection. If there should be desire for a longer delay I would take it up a little later on.

Mr. MacNICOL: Would it be possible to include in the white paper the remarkable letter that the premier of Ontario sent to Washington?

Mr. MACKENZIE KING: The white paper —I think it ought to be called the white book—is being presented in book form, and I fear that to do what the hon. member asks would involve the opening of the forms and repaging. But what I shall do, if it will meet the hon. member's wishes, is to table with the white book a copy of that particular correspondence.

[Mr. MacNicol.]

Mr. MacNICOL: A copy of the letter of the premier of Ontario written to Congressman W. G. Andrews.

Mr. MACKENZIE KING: All I can do is to reproduce, in photostat form if the hon. member so wishes, the communication that was placed on the Congressional Record at Washington.

Mr. BENNETT: I understood the Prime Minister to say that he has not received a copy of the letter.

Mr. MACKENZIE KING: No, I have not.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Direct payments to veterans and dependents—European war pensions, $40,900,000.

Mr. POWER: I find that on February 18 last, in reply to a question put by the hon. member for Vancouver South (Mr. Green) I unwittingly made an incorrect reply with respect to the number of decisions given in favour of the applicant on first hearing. Perhaps I may be permitted to place more accurate figures on the pages of Hansard.

Dealing with the year 1936-37 and from April 1, 1937, up to January 31, 1938, I find: First hearings granted 1,374, not granted 3,049, total 4,423; second hearings: granted 14, not granted 211, total 225; quorums: granted 732, not granted 3,694, total 4,426; pension appeal court: granted 53, not granted 2,423. There were remitted for hearing, 46; without jurisdiction, 5; pending, 37; not heard, 1,174. The percentages are worked out for 1937-38 up to January 31, 1938. On the first hearing there were granted for 1937-38, 1,375 and not granted 2,472, or a total of 3,847. That is to say, 35 per cent of the total cases brought up on first hearing were given entitlement.

Mr. BENNETT: Without appeal being taken afterwards.

Mr. POWER: Without any appeal whatever. There is no right of appeal by the crown from the first hearing. On the second hearing there were granted, for 1937-38, 162, and not granted 1,737, a total of 1,899, or 9 per cent. As regards the quorums, for the same period, there were 233 granted and 1,256 not granted, a total of 1,489; in other words, 15 per cent

were granted by the quorums. With respect to the Pension Appeal Court there were granted 52—not granted, 2,021—or two and a half per cent of the total. To recapitulate, on the first hearing 35 per cent are awarded in favour of the applicant; on the second hearing 9 per cent in favour of the applicant; before the quorum 15 per cent, and before the Pension Appeal Court two and a half per cent.

Perhaps I had better go on to the discussion of this item. It is obvious why there is a reduction of some $600,000.

Mr. GREEN: Is there an appeal by the crown from the pension commission to the quorum?

Mr. POWER: There is no appeal except from decisions of the quorum.

Mr. GREEN: Would it be possible to have the appeal by the crown from the decisions of the quorum done away with?

Mr. POWER: That is a matter for consideration; it is being considered. The whole difficulty would be whether or not some other system could be found to substitute for it.

Mr. ROSS (St. Paul's): I should like to bring to the attention of the minister the position of the war widows of Canada. No doubt hon. members have received a great many letters from these women, and I may say that I attended, at their request, a meeting held in Toronto by one of their associations. I thought it would be better for them to put in writing their individual cases so that they could be submitted to the department. We must not forget that in the early days when we were recruiting Canada promised that none of the dependents of her soldiers who went overseas would be left uncared for. Canada, I believe, has done her job to a great extent, but we have partly fallen down so far as war widows are concerned.

There are two or three reasons why, under the legislation as it stands, they are not properly looked after. There is the difficulty of building up the case for these widows so as to associate with war service the deaths of their husbands. When they cannot prove that death is attributable to a pensionable disease they are usually out of luck. I do not think that anyone can prove that the immediate cause of death is the real cause; very often death is probably attributable to the pensionable disability. In very many instances men have died of arterio sclerosis or cancer, or an ulcer, or something of that kind, some complaint which is not the pensionable disability, while there is no doubt that the pensionable disability has a direct bearing upon the immediate cause of death.

Another thing is this. Is there any particular reason why a war widow should have her pension cut off when the pensioner dies? I do not see any reason why she should. We must remember that a great many soldiers after the war wanted to get out of the service as quickly as possible, and consequently they were discharged perhaps rather prematurely. There is no doubt that many of them at that time were suffering from some disease attributable to the war, but owing to the circumstances under which they were discharged they find themselves to-day out of luck. And for the same reason war widows are out of luck at the present time. It would be better, in my opinion, if the pensionable disability were taken into consideration and given more weight in awarding pensions to war widows. Some change should be made in the legislation, for the plight of these war widows is terrible.

In the gathering which I attended in Toronto I do not believe that every one of those women thought they should have pensions. In any event they were mostly women whose husbands had received pensions, the pensions having been cut off at the death, and now the widows find themselves destitute. They gave great service to these soldiers who had been receiving pensions and they did not get very much out of it themselves. The least we can do is to have the legislation take care of the present situation so far as war widows are concerned.

Mr. BENNETT: There has been organized in the city of Calgary a substantial body of women whose husbands, having served overseas, are now dead. These women are in a desperate condition. The contention—and I think it is one which it is difficult to overcome—is that their husbands died, and I am putting it mildly, as they request me to do, earlier in life than they would have but for the service they gave the country. That is putting it on a low basis. Their contention is that being deprived of the ability of their husbands to earn a living for either themselves or their children they are now in almost necessitous circumstances; and they seek from the government a recognition of their position, just as the government has recognized the condition of the soldier who receives assistance through the relief organization that has been set up by the department.

At first I thought that the case was much simpler than it is. Looking into the matter in detail I find many cases that are known to me personally. I have a list of them beside me and it is quite clear that the

husbands of these women served in some instances with great distinction, but in every instance at the risk of their lives, in France and elsewhere, mostly in a theatre of war. I do not say that all of them did, but for the most part they were in a theatre of war. The husbands of these women were not pensioned at the time of their death; some of them had received some slight recognition which was cut off, but the major number that I am speaking of now are cases in which the husband was not receiving a pension at the time of his death. The efforts that they have made to secure recognition by the department have failed because it was determined by the appropriate persons that the deaths could not be attributable to service. The same matter was discussed the other evening. In the case of many of these widows—I did not wish to go into it then, for obvious reasons, because you do not want to make it more difficult to deal with the simple problem by mixing it with others—this problem in one aspect is a simple one. We do care for necessitous cases of disabled soldiers who are unable to take care of themselves and whose condition is attributable to the war. If they have left behind them widows and children, I suggest to the minister, when he is framing his legislation, that if an annuity cannot be provided, the widow and children should at least be given the same treatment as that which would be given to the soldier if he were living and found himself in a similar condition of necessity.

Mr. MacNICOL: Before the minister answers I should like to say something about this matter. I was invited to a soldiers' widows meeting in the soldiers' club rooms on Isabella street in Toronto, at which about two hundred were present. Apparently they are organizing and propose to have the organization extend all over Canada, and I have no doubt that in due course unless some redress is given they will come down in a large delegation to present their case, as has been said. On that occasion I took a list of a number of cases and the particulars. I have in mind one or two which are perhaps representative. One was a returned soldier who was in the habit of having fainting spells; apparently his heart was weak. One morning he had a fainting spell. His widow says that on the same day while having lunch he had another spell, and apparently some food became lodged in his throat. The doctor who performed the post mortem reported to the department that the man had choked to death swallowing his food. No one would believe that he deliberately choked himself to death. I do not want to pass any comment on what the doctor did, but the fact is that his widow did not receive any compensation, although before his death the man was receiving pension.

Recently a returned soldier trying to make ends meet had gone to northern Ontario and taken a position I believe at Collins, northwest of Port Arthur. Being unable to carry on, on account of weakness, he decided to walk to the station some twenty or more miles away, and it appears that he fell on the road and was frozen to death in sight of the station. The post mortem report was that he died from natural causes, having been frozen to death. I have nothing but the very kindest words to say of the department; I have found the officials at all times considerate and anxious to help, and they are no doubt doing the best they can, but apparently the law does not permit them to deal with a case such as I have just mentioned, in which the coroner finds that the returned soldier died from this or that cause unattributable to war service. I am convinced from the number of cases I have looked into that while the department has done splendidly, if the officials were given a chance to exercise their discretion as to the cause of death, a large number of these war widows would be receiving consideration. I want to give my support to what was said by the hon. member for St. Paul's (Mr. Ross), who also attended one of these meetings of the war widows of Toronto.

Mr. MASSEY: Before the minister replies I should like to add a word to what has been said by the hon. member for St. Paul's, the leader of the opposition, and the hon. member for Davenport. I am sure that the sentiments expressed by them found echo in the heart of every hon. member of this committee. We all must realize that as the days lengthen into years the situation to which reference has been made this afternoon becomes more and more acute. Recently I met a deputation which desired to present this problem, a deputation of ladies, widows of war veterans from the eastern part of Toronto, where they are attempting to set up an organization in their mutual interest, and they asked me to present their case to the minister and his colleagues. Accordingly I should like to endorse most heartily what has been said on this matter by those who have preceded me.

Mr. LOCKHART: May I present briefly a slightly different angle of this question? Without repetition of what has already been said I might put it in this way: that inadequate records were kept overseas, as has been re-

ferred to many times in this house. Men in their anxiety to get home did not take the necessary care to have disabilities noted which might have been recorded had they taken time. They came back and went through the necessary procedure to gain some consideration at the hands of the department, but as a result of inadequate records and for other reasons that might be mentioned, no pension was granted. The department in its wisdom proceeded to give war veterans' allowances, a very necessary thing and something which has kept many men and women off relief. In instances of which I could give details small homes had been acquired prior to enlistment, and upon his return from overseas the soldier, with his family, lived in these homes. The children probably grew up and moved away, and the soldier and his wife continued their residence, the soldier receiving a war veteran's allowance. I could give the minister instances in which, following the death of the soldier who received the allowance, those homes have been lost. Within my own knowledge only this week two war veterans' allowance widows are going on relief in my city, one of them in a pitiful condition of arthritis. She is told that nothing can be done to give her a war veteran's allowance, because her year had expired. If we have to keep these widows on relief surely some consideration could be given by the minister and his department to continuing in some form, even if only partially, the war veteran's allowance which she and her husband enjoyed, even though he could not establish a pensionable condition. I could give the minister more instances, but I suppose hundreds of them have come to his attention. Surely these people could be better cared for in a reasonable way, preserving their independence, rather than being compelled to go on relief in municipalities which are threatened with further costs in connection with relief.

Mr. McDONALD (Souris): I want to add my support to the speakers who have called attention to the fact that war widows should be allowed a pension. I am not a returned man but I should like to say a word in regard to returned men who are physically fit, who receive no pension and are to-day earning their own livelihood. I have talked with a number of these men. One of them said to me: "The country should do something for us; we paid the price." They think they should have a refund of taxes. I know that for some considerable time the Manitoba government did that. I am not sure whether or not they are doing it to-day. The fact is that these men did pay the price. It took men and money to win the war. We continue to pay the interest on the war loans, and we may have to continue to do it for all time. Are the men who risked their lives less worthy of help, when to-day many of them find themselves in need of it? I cannot see where the money took any risk, but certainly the men did. We know that many of them throughout Canada to-day are suffering because of war disability. In fact, I do not know a single man who went to war who is physically fit to-day. There may be some, but I do not know of them.

I cannot understand why the government should give such large pensions to officers, when the men in the ranks, who may be more in need than many of the officers, and who could earn more money than some of the officers ever knew how to earn, cannot get anything at all. I never thought that was fair; I never could understand it, and it is my opinion something ought to be done about it.

I believe pensioned men who have good government jobs are not entitled to the same pension, although I would not like to cut them off without the assurance that if they lost their jobs they would get their pensions back. Surely it is up to the government to do the fair thing for the men who fought our battles.

Mr. LANDERYOU: I should like to join with the other hon. members who have requested the minister to do something for widows of ex-service men. We know that many of them have found great difficulty in establishing the fact that the deaths of their husbands could be attributed to pensionable diseases. A number of these widows are indeed suffering great hardship. Since the government has stated from time to time that it intended to issue money and credit to meet the needs of the people, surely the problem of providing sufficient money to take care of the needs of the widows of ex-service men should not present a difficult task. I feel sure that the minister will have the support of the majority of hon. members if he takes action immediately to alleviate the suffering of those widows.

Mr. POWER: Perhaps I had better begin by stating the provisions of the Pension Act dealing with widows. Under the provisions of the Pension Act the disability pension automatically ceases at death. If the assessment at death is fifty per cent or more, an immediate grant of one month's pension is paid the widow and children, provided the additional pension was payable on their account.

If the deceased pensioner's estate is insufficient to pay last illness and burial expenses the commission may make a grant not exceeding $150, provided the payment in respect of burial shall not exceed $100. If the soldier dies of a pensionable disability, or where his death is ruled attributable to war service, the widow and children are eligible provided (1) that the marriage was contracted before January 1, 1930, or before the soldier was granted a pension; (2) that the children were born prior to May 1, 1933, and are within the age limit and (3) that they were supported or entitled to be supported by the soldier.

In cases where disability pension was payable at the rate of eighty per cent or more at the time of death, irrespective of the cause of death the widows and children are eligible, provided (1) that the marriage was contracted before January 1, 1930; (2) that the children were born prior to May 1, 1933, and are within the age limit and (3) that they were supported or entitled to be supported by the soldier.

If the soldier dies under conditions which do not entitle his dependents to pension, any surviving eligible children are paid a bonus of one year's additional pension at the rate being paid on their account at the time of death.

With respect to the agitation which has spread throughout the country, and which has been organized by an association which, I believe, is known as the Non-Pensioned War Widows' Association, new legislation would have to be enacted by the house to cover nearly all the cases which have been submitted this afternoon. We would have to adopt an entirely new principle. It must not be forgotten that for many years in the house there was a great deal of agitation to enable any widows who married soldiers after the appearance of disabilities to get pensions. The fear then was that if we opened the door too wide to pensions for widows we would get this country into the position in which the United States finds itself with respect to war widows' pensions.

Mr. BENNETT: Be careful.

Mr. POWER: Then we would have these so called deathbed marriages, and so on. The agitation was to extend the provisions of the Pension Act to cover cases wherein there had been, let us say, a promise of marriage by the soldier prior to his leaving for overseas. It was urged on governments in those days that it was far nobler and far more proper for the person who did not marry the soldier, but who was now claiming something by way of recognition, than for the person who went through a hasty war wedding.

[Mr. Power.]

Very sympathetic cases were presented to the consideration of the house, and after more than ten years of struggle it was finally decided that persons married prior to January 1, 1930, or prior to the time when the soldier was awarded a pension, would be eligible, provided always that the soldier had died of his pensionable disability. But, as I said at the outset, the present agitation introduces an entirely new principle. Up to the present time I have no means of knowing just what the objective of the association may be. But I take it for granted that these so called war widows would like to get at least a maintenance pension, or an allowance which would amount to perhaps $40 per month. A great many of those soldiers—some mentioned by my right hon. friend the leader of the opposition—were not drawing pension at all. Under these circumstances we would find a widow getting far more than the amount to which the soldier was entitled on account of his war services. Many more are drawing pensions—

Mr. BENNETT: He would be getting something under the provisions of the last statute—the allowance?

Mr. POWER: Yes, the war veterans' allowance.

Mr. BENNETT: Those are the cases to which I referred.

Mr. POWER: Yes, but perhaps that would not be so. I do not know just what persons are eligible for membership to this association, but as I understand it any person who is the widow of a soldier would be eligible.

Mr. BENNETT: A non-pensioner.

Mr. POWER: Yes, a widow who has no pension. But that would take in the widow of any person who happened to have been a soldier or to have served in the war. We have been fighting against service pensions for the soldiers themselves, and now we are asked to give pension to the widows of soldiers who were never entitled to pensions in their lifetime.

Mr. BENNETT: By the means test.

Mr. POWER: Yes, I am coming to that.

Mr. MacNICOL: But what about the widows of soldiers who did receive a pension before they died?

Mr. POWER: I am taking the general question as it is presented, in so far as I know it.

Mr. LANDERYOU: Just the widows of soldiers who have served in a theatre of war.

Mr. POWER: Well, once we start in on that, I do not know where we will go.

Mr. BENNETT: The means test was put to me.

Mr. POWER: I have not before me any complete or definite proposal, and I do not know that anybody else has. The agitation that is going on does not appear to me to have any definite objective either in money or in any clear indication of just what persons are to be eligible.

Mr. LANDERYOU: How many widows of pensioners are there in Canada? How many widows of ex-service men are there?

Mr. POWER: I have not the faintest idea. Unless a man is a pensioner we have no trace of him. There were 600,000 soldiers who enlisted and I should say that probably three or four hundred thousand of them were married. Most of these men will leave widows when they die.

To continue my argument: If this means that the widows of men who were not pensioned during their lifetime are to be looked after, then it is asking parliament to take a long step in the setting up of a new class of state pensioner. If it means that it shall apply only to the widows of those who received pensions, then perhaps there is more logic in the position. I believe Australia grants to the widow the same pension as that enjoyed by her husband during his lifetime.

Mr. BENNETT: In some cases it is half.

Mr. POWER: In some cases it is half. Does any hon. member believe that if we granted to the widow of a man who had been in receipt of a pension of $3.50 or $7.50 or $10 just the amount her husband received, she would not ask us to bring her allowance up to a reasonable maintenance rate? I do not think any hon. member will suggest that we should continue a pension if it is lower than a decent living rate.

Mr. MacNICOL: Did the minister not say, and is it not a fact, that the widows of soldiers who received less than an eighty per cent pension receive nothing?

Mr. POWER: Not at all. I do not think my hon. friend has understood the principles of the Pension Act. I believe the house will agree that it is not reasonable to award to the widow of a pensioner more than the man received himself during his lifetime. After all, he is the one who suffered, he is the one who went overseas and he is the one who put up with life in the trenches.

Mr. BROOKS: Does he not receive a pension for the protection of his family? Is that not the idea?

Mr. POWER: No, and I shall come to that in a moment. A pension is granted on the basis of disability incurred on service and not on the basis of need. We would be changing the whole principle if we awarded pensions on the basis of need. My right hon. friend recognizes that fact when he states quite positively that this is a pension on the basis of means test. Am I right in making that statement?

Mr. BENNETT: That was the view I was putting forward. It has been submitted to me that some of these unfortunates find themselves in absolute want. Because of their want they ask that they should be treated in the same way as soldiers are treated in connection with the veterans' allowance. Have I made myself clear?

Mr. POWER: I will not go as far as my right hon. friend and say that the veterans' allowance is awarded entirely on the basis of need; it is awarded on the assumption that a man's service hastened his unemployability.

I do not know of any proposal that has come before this department or parliament in the last few years that appeals more to the ordinary man on the street or to anyone connected with the whole soldier problem. However, I think we should understand just where we are going with a proposal such as this. My right hon. friend the leader of the opposition is the only one who has referred to the means test. If this proposal is accepted it will mean that no matter what is the cause of death, whether due to a pensionable disability or otherwise, irrespective of the financial circumstances of the widow, irrespective of the date of marriage, irrespective of the financial condition of the person who died, we will be granting a pension and making a ward of the state of the widow of every man who served overseas.

It has never been suggested in any special committee of the house that has sat in the last few years that we should carry out such a principle, but it has been suggested that the widows of men who were in receipt of pensions of fifty per cent and over should receive a pension. It was contended that it was sometimes difficult to prove that a man had died as a result of his war disability and that the presumption should be that if he died, it was as a result of his disability. Our legislation provides that the widow of a man in receipt of eighty per cent pension shall receive a pension, no matter from what cause the man died. The principle there is

that the man was so badly disabled that there was a possibility that his physical condition must have been a very important factor in his decease, even though he might have died as a result of an accident. It was not considered right to place the widow in the position of having to prove that death was due to his disability. I cannot recall any representations having been made until this year that the widow of every pensioner should be pensioned.

I have no doubt that there are many widows, in the soldier group as well as in the civilian group, who are left without adequate means of support. However, when it is considered seriously, I doubt if anyone will lay down the proposition that the widow of a war veteran should be pensioned simply because he served in the army. This is going far beyond any suggestion of a service pension for those who served overseas. There are many pathetic cases, and I think I could recite just as many, if not more than any hon. member of the house. A widow will write to me and say that her husband has died recently, that he was a soldier with good service overseas. She says she is sixty years of age, too young for an old age pension and too old to take a job. She wants to know what we are going to do. There is no answer I can give her except that her case should be looked after in the same way as that of any ordinary civilian. Much as I sympathize with her, that is the only answer I can make.

I shall be glad to get an expression of opinion from hon. members after they have been fully seized of all the implications of this proposal. If parliament decides that these widows should be placed on the pension roll of the state, then I think we will have great difficulty in refusing any demand whatsoever made by soldiers who served overseas. I do not see how we could refuse the man who served overseas anything at all in the way of a living wage, maintenance allowance, revenue, pension or bonus, whatever you want to call it. We have been asked to allow the rate laid down in the Labour Gazette, while other suggestions have been that we should pay a bonus of $2,000 or $4,000. We could not refuse anything to the man who served overseas once we carry out the recommendations of this association of widows.

Mr. LANDERYOU: Does the minister suggest that we should refuse to meet the legitimate needs of people who are suffering?

Mr. POWER: I am not talking about legitimate needs. I am saying you cannot refuse him anything he asks for, because he will always be able to show some need for it, if you begin to give it to those who have less claim than he has. I have every sympathy for the widows, but I consider it my first duty to look after the soldiers who went overseas, and their dependents. After that is done I have no objection to looking into any further questions. I repeat, the department and the pension commission can do nothing to meet this claim, but if parliament in its wisdom decides that there must be legislation, parliament should say so, and then we shall know just what it means.

Mr. BENNETT: I think parliament has, time after time, declared against the awarding of a mere service pension, and I have not suggested that a service pension should be awarded to the widow and dependents of any soldier merely because he did see service. That was not the point as I understood it. But these widows and children, the one class desiring sustenance and the other education, have submitted that rather than take relief from communities, many of which cannot provide it for them, there is a duty resting upon the state to provide for them at least sustenance and support for themselves and their children because it was the war that deprived them not only of the company and consort of a husband but also of the earning power of the head of the house. That is the position as I understand it, as it was put to me.

Mr. POWER: Of course my right hon. friend understands that if that were so, if it were the war that deprived them of the sustenance provided by the person upon whom they depended, they would be entitled to pension.

Mr. BENNETT: Then I must add this rider: They are unable to establish that death was the direct result of service in the war. Otherwise the husband would have been pensionable in his lifetime and they would be entitled in any event to receive a pension. But it is because they are satisfied, as the community is, in common with all others, that what the soldier went through brought about premature death, which premature death imposed upon them a responsibility with respect to the support of themselves and the sustenance and education of their children which they cannot discharge, that they now make this claim. If they had any means with which to discharge their responsibilities I certainly would not make the claim that I suggest, but inasmuch as we have taken steps to provide, through the war veterans' allowance, sustenance for the soldier who is burnt out and unable to care for himself, the contention is that as the soldier is no longer here and is unable to provide for his wife and family, a

similar principle should be applied with respect to them rather than that they should be compelled to go upon relief, which they think is not consonant with the ideas put forward at the time their husbands enlisted. That is the story, as I understand it.

Mr. POWER: I think my right hon. friend has stated the case absolutely fairly. That is the story, but as I said a moment ago I am not sure just how far it goes or just what the demands are because I have not as yet received officially any demand. I hope that will not be considered an invitation to send me any. I have not, at all events, received any definite request.

Perhaps these figures may be of some value to the committee. As of September 30, 1937, there are disability pensioners to the number of 79,882; disability pensioners' wives, who receive some assistance, 57,316, and these, of course, would all be eligible under any legislation which might be passed to look after war widows because they would be such if the husband died a pensioner.

Mr. LOCKHART: Does that figure of 79,000 represent eighty per cent?

Mr. POWER: No, all of them. Then there are disability pensioners' children to the number of 83,061, and these also would be entitled to something, I presume, under the suggestions which have been made this afternoon. There are disability pensioners' other relatives to the number of 1,382; and widowers' allowances, 513. Those make up a total of 222,154 people who are being looked after in one form or another at the present time. There are also dependent pensioners' widows, parents and orphan children to the number of 18,076; dependent pensioners' children, 3,275; and other relatives in addition to the main dependents, 1,461; making a total of 22,812, or a grand total of 244,966 people being looked after at the present time; and with supplementary British and allied pensions the number would be 245,309. I would say that that number would be almost doubled if the suggestions that have been made were carried out in a way to meet the wishes of those who are at present urging them upon the government.

Mr. MacNEIL: I think it would be a great pity if the impression got abroad from the remarks of the minister that the sentiments expressed this afternoon were entirely due to agitation by any particular organization. It is true that representations have been made by different organizations, but I think every hon. gentleman has been faced with the distressing experience in his own community of attempting to explain to the widow of an ex-service man why she cannot secure any form of further assistance from the federal government. The pathetic need in this regard has been apparent on every hand, and in my opinion it is a problem for which we cannot disclaim responsibility.

I am sorry that the minister brought up the old bogey of deathbed marriages because, as far as I am aware, no hon. member has proposed any change in the deadline from January 1, 1930.

Mr. POWER: Would not this proposal do it?

Mr. MacNEIL: I have not heard of any proposal that would suggest—

Mr. POWER: That is the worst of it.

Mr. MacNEIL: I have not heard of any concrete proposals that would suggest anything opening the way to deathbed marriages. I think in countless instances the widow of the ex-service man has very good grounds upon which to claim some further assistance from the state. The principle of responsibility in this problem has been accepted to some extent in section 38 of the Pension Act, to which the minister referred, providing for the payment of one month's pension not at the rate effective at the time of death but at the widow's rate and pending consideration of the claim. That recognized responsibility in the case of need, partially at all events. That of course is qualified by the fact that the pension is paid only in cases where the claim is pending consideration.

Mr. POWER: In every case, I believe.

Mr. MacNEIL: Also under section 22(a), a bonus may be paid in respect of the child at the discretion of the commission, but only at the effective rate at the time of death, which might possibly be only fifty cents a month. There is also a precedent for it in the continuation of the war veterans' allowance to the widow after the death of the recipient of war veterans' allowance. Not merely on the basis of disability but very largely on the basis of need all these provisions have been made in the past, I contend, because there was a recognition of the needs confronting the widow under these circumstances.

May I point out to the minister that never at any time has it been the intention of parliament to deprive the ex-service man of the opportunity to marry and provide himself with the comforts of home. But in doing so the man has not been the only sufferer. In countless instances the wife has ministered to the need of the disabled ex-service man;

she has nursed him and comforted him during his distress; in many cases she has suffered with him the consequences of reduced earning capacity, and they have jointly been unable to establish a reserve to tide her over the difficult period of adjustment following the husband's death. An actual proposal has been made to the minister—I hope he will take it into consideration—

Mr. POWER: What is it?

Mr. MacNEIL: The proposal made by the dominion convention of the Canadian Legion is the one to which I am referring.

Mr. POWER: As my hon. friend knows, there are quite a number.

Mr. MacNEIL:

That this convention re-affirms that the Pension Act be amended permitting pensions paid at the time of death to be continued to the widow for at least one year, and where the amount is less than that allowed under war veterans' allowance, that it be increased to that amount.

Mr. POWER: Was that passed?

Mr. MacNEIL: I have reason to believe that that is the resolution of the dominion convention.

Mr. POWER: I will check.

Mr. MacNEIL: They are urging that discretionary power be exercised under such circumstances to continue the allowance one year to tide the widow over a difficult period of adjustment.

Mr. MacNICOL: Would that recommendation apply retroactively?

Mr. MacNEIL: There is no reference to that, nor do I believe it is their intention to deal with retroactive complication. I would point out also that in the commonwealth of Australia a similar provision is made; the pension is continued, I believe, in such instances. It boils down to this, that the minister might safely introduce, I think, an amendment to the act, and it would receive the general support of the house, to provide that where a pensioner dies and the widow is not held to be eligible for pension, death not being due to disability attributable to service, or where the pensioner is not receiving a pension of over eighty per cent, and the widow is in necessitous circumstances, she should get an allowance; the pension should be continued, and if it is less than the amount paid under the terms of the war veterans' allowance, it should be made up to that rate. In other words, this provision should be made consonant with the provisions of the War Veterans' Allowance Act.

[Mr. MacNeil.]

Mr. POWER: Would that apply to the widow of any soldier even though he was a small pensioner?

Mr. MacNEIL: Even though he was a small pensioner.

Mr. DUPUIS: What about the children?

Mr. MacNEIL: I am referring only to the widow. If the rate were made up to the extent of the war veterans' allowance, there would not be the same need to consider the children.

Mr. POWER: Would not the hon. member see some objection to giving the widow of a pensioner who was receiving ten dollars a month more than is given to her neighbour whose husband himself was a pensioner receiving ten dollars and had two or three children to support? Would there not be some difficulty there, some anomaly?

Mr. MacNEIL: I see the point made by the minister. But if a pensioner was receiving pension at the rate of only ten per cent, for example, he would be able no doubt to supplement his earnings or would receive unemployment assistance from the Department of Pensions and National Health.

Mr. POWER: Does the hon. member think the answer would be, "Why, bring them all up to forty per cent?" I rather expected my hon. friend to make that answer.

Mr. MacNEIL: In the majority of cases the existence of this disability is a contributing factor to death. By reason of these disabilities and other handicaps imposed by service, veterans are dying off now at an alarming rate, and the widows who are thus bereaved find it most difficult to adjust themselves or to secure the benefits of any other social legislation in the province in which they reside.

Mr. POWER: Why is it more difficult for them to secure the benefit of social legislation than for anyone else?

Mr. MacNEIL: May I point out to the minister, after some experience of these problems, that if it becomes known in the community that a woman is the widow of an ex-service man the general tendency of the local authorities is to say, "This must be dealt with by the federal authority"; and considerable delay results. There is difficulty in getting across the understanding of the widow's position under existing federal legislation, and that delay has serious consequences for her. I suggest it is extremely important that we should recognize

what I believe to be a very definite claim on this parliament, and assist the widow to tide herself over that very harrowing period.

Mr. BETTS: May I bring to the attention of the minister and the committee the case of a widow's claim, slightly different from the ones we have been discussing. This case is not one in which the soldier was getting nothing and the widow wants something; it is a case in which the soldier was getting something, and the widow now gets nothing. This soldier was pensioned to the extent of twenty-five per cent of his disability, and drew $19 a month. He died. His pension had been awarded for aggravation of heart disability and bronchitis incurred on service, and the cause of death was myocardial failure, auricular fibrillation, and chronic valvular disease—symptoms which, members of the committee will realize, bear a very close relationship to those in respect of which the soldier was pensioned.

In giving the details of this case, I realize that this committee is not a court of appeal from the pensions court of appeal, and I am mentioning them because my submission is that they illustrate a principle.

In the course of the hearing one of the principal witnesses was a doctor. In his evidence—I purposely omit proper names from my story—he attributed death to a stroke. Subsequently he realized that by reason of the fact that he had a large number of cases to deal with he had mistaken the identity of the man whose case was under hearing, and he made this statutory declaration:

> With reference to my evidence when I appeared before the quorum of the Canadian Pension Commission, I have read the transcript of evidence taken and it is quite apparent that in my answer to question 7 I was in error in that I stated "a man was taken home from work with a stroke and died two or three days afterwards."
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> From my personal knowledge that the late William Blank died in Westminster hospital, London, on August 1st, 1935, after being confined in that institution for a period of about 17 weeks, I am able to state that the man referred to in my answer to question 7 was not Mr. Blank. I apparently had him confused with a man who, while employed by the Blank company in London, took a stroke at work and was taken home and died a few days afterwards. The latter man was seen by Doctor Blank and myself.

As a result of that very apparent mistake, the widow applied on three occasions to the court of appeal for a rehearing of her case. I may say that her case is a very grievous one. She is a woman with two children. She had her life arranged so that she could carry on upon the small pension her husband received when he was alive; now he is gone and the pension is gone too. The point I am trying to make is that any court of law which has as wide powers of rehearing cases as those vested in the pensions court of appeal, and receives evidence similar to that statutory declaration from a reputable doctor, would rehear the case. Yet there has been not one refusal from the pensions court of appeal, but three, to deal with this case. My contention therefore is that, in view of this disposition of the court of appeal to deal with cases that come before them not only with an entire lack of humanity, but with an entire lack of the ordinary principles of equity, unless a different outlook can be injected into the mentality of these judges of appeal by the minister or by this house, or by somebody, in the interests of proper dealing with this pensions question, so that the returned man and his dependents can get justice, then the court should be abolished.

Mr. DUPUIS: I wish to say a word on the point that has been raised. Very often a pensioner dies and his widow and children are deprived altogether of any assistance. If the widow cannot prove that the cause of death is due to her husband's participation in the war she does not succeed. According to equity, as I understand that term, I cannot see the reason for this. In the first place the department decides in the lifetime of the returned soldier that he is entitled to a pension because of his participation in the war and the consequence thereof in sickness or in diminution of health, and he is given a pension, whatever the amount may be. At any rate, the principle is there. Now, if he has a right to a pension for himself and his family while he is living, why should the country discontinue the pension at a time when it is needed more than ever, when the head of the family has gone?

I have quite a number of cases in mind. I know one returned soldier who died leaving a widow and seven children, and a few months after his death the pension was cut off so that his dependents were left to starve. If there is any equity, if there is any sense of justice in the legislature of the country in granting a pension to a man because of his participation in the war, I think there is more reason why a pension should be granted to his widow and children; there is all the more reason for a pension when the head of the family has disappeared. I do not think that we should put upon the shoulders of the widow the burden of proving that the cause of death is the result of her husband's participation in the war. I submit to the committee that if a change can be made in the law to make provision for widows and children, it

should be made as soon as possible, because the present state of things is extremely unjust to both the war widow and the children that are left.

Mr. GREEN: It seems quite clear that the time has come when we should review the general principles upon which pensions are paid to a soldier's widow, and I suggest that it be done at this session. If however the minister does not see fit to do this, he could at least do something at this session—which would not be contrary to the general principles of soldier legislation now in force—by giving to the pension commission some discretion in order that they might help the pensioner's widow who is not entitled to a widow's pension. This help might be given for a period of say one year, as suggested by the hon. member for Vancouver North.

I believe that the pension commission has the confidence of the soldier body right across Canada and might be relied upon to exercise in a fair way any discretion given it. I would point out that in the War Veterans' Allowance Act such discretion is given now to the War Veterans' Allowance Board in section 9, which reads:

> After the death of any recipient an amount not exceeding the sum of twelve monthly instalments of the allowance which the recipient was receiving at the time of his death may at the discretion of the committee be paid to his widow or for the benefit of any child.

In section 22, subsection 8 of the Pension Act there is a similar provision, which has existed since 1919:

> When a member of the forces in receipt of an additional pension on account of his child or children dies under conditions which do not entitle his dependents to a pension, a bonus equivalent to such additional pension for one year at the rate being paid at the time of death shall be paid by the commission for the benefit of the child or children to such person as the commissioners may direct.

I suggest earnestly that the government bring in some amendment to the Pension Act which will give the pension commission discretion in the matter. That discretion need not be exercised in every case; if the widow did not need assistance she would not get it. But the commission should be given some discretion in order that help might be given to a needy widow and her family for a period of at least twelve months after the death of her husband.

Mr. BLACKMORE: I sympathise with the minister in his problems and I greatly appreciate the earnestness with which he attacks them. I would bring to the attention of the committee two considerations that greatly influence us. In the first place it must be borne in mind that the dependents in question are trying to carry on under conditions where jobs are not to be found. That is something so widely different from anything with which we were familiar as boys or with which our parents, who passed on to us our attitudes, were familiar that it is likely to be difficult for us to think quite dispassionately and without bias about their problem.

The great question is: If the widow with, say, three children is left without the small pension that she has been receiving, and neither she nor any of her children can find employment, what is going to become of them? One needs only to think seriously for a moment or two to see how desperate such a situation is immediately after the death of the bread-winner.

There is another serious matter which I think we are prone to forget. Let me say that we do not wish to advance our ideas to the point where they become obnoxious to the house, but I do submit that we should all bear in mind that the things which these widows need, which they want, are all here in Canada in abundance. Only tea and perhaps citrous fruits and a few other things need to be brought in from outside. The coal is here, the milk, cream, butter, eggs, cheese, meat, wool; everything they need is here. Are we to confess then that as intelligent members of parliament in this remarkably intelligent age we cannot devise means whereby, of the abundance with which providence has amply blessed us, we cannot give sufficient to support those who are suffering in consequence of the self-sacrifice of heroic men who went to the defence of this country?

Mr. QUELCH: In view of the interest in this question of pensions for widows of ex-soldiers, would it not be possible for the minister to put the matter before a committee of returned men at this session so that they may bring in an amendment to the Pension Act making pensions available to widows of pensioners who have died? It has always seemed to me a strange thing that we make allowance for the wife of a pensioner while the pensioner is alive, and that as soon as he dies, when the widow is in far greater need, we cut that pension off. It is not very much to the credit of Canada that we have ex-soldiers' widows all over the country being forced on relief because the country has not recognized their claim.

Miss MacPHAIL: This morning I received a letter from the Durham District Veterans' Club setting out in detail the case of the widow of a returned soldier who died in the late summer. He had been getting a pension

for himself and family of $87.75 and at his death this terminated. That widow and her two children—a boy and a girl aged nine and eight—are left without any income. The ex-soldiers in the town and district of Durham wrote me on behalf of this woman, and advanced the arguments which have already been presented to the committee.

There is one other thing which as a woman I feel like saying for these women who cannot be here to speak for themselves; that is that they have had in many cases a particularly difficult life, caring for men who were ill. In this case the man had a leg amputated; he was in hospital twenty-five months afterwards and was never able to work. These women have a trying life taking care of perhaps ill and in many cases irritable patients. They have not the same chance of providing for their children, because so often the income is small. It is hard on a mother to see her children not getting all the advantages that she feels that under other circumstances they might have had. I have talked to so many women—or putting it the other way, so many have talked to me—about this particular problem of the strain on the nervous system of always living with a person whose nerves were shattered by an inhuman experience, the experience of war. The wives of these soldiers have themselves served their country in a way that is not easy, not in the field it is true but by being the person who provides the tenderness and understanding and home life for men who did serve in the theatre of war and have come back wrecks from that experience. And many who look well are still nervous wrecks. When the husband goes, these women face the new problem of not having anything with which to provide for their families. At least I think the department should have discretionary power, and where a mother is left with children and no way to provide for them she ought not to be asked to go on relief. We are not fair in asking that. Eventually I believe something will have to be done; so if eventually, why not begin now?

Mr. BETTS: The remarks of the hon. member for Grey-Bruce (Miss Macphail) lead me to make a suggestion. Obviously it is a very cruel thing that when an ex-soldier who has been receiving pension dies, his widow, if his pension has been less than fifty per cent, is obliged to go to the pension authorities and ask that the pension be continued. My submission is that it would be far better if that procedure were reversed and the onus placed upon the crown; in other words, that where a soldier in receipt of pension dies, the pension be continued, and if the crown feels that death was not attributable to war service it should rest with the crown, not with the widow, to approach the court.

Mr. YOUNG: The other night I brought before this committee a particular case. It was not my desire on that occasion to bring in extraneous matter. I wanted to confine myself to the discussion of the case itself. The leader of the opposition (Mr. Bennett) said he had been approached by many persons in western Canada who had not been able to get the pension they desired. I may say that if any hon. member of this house thinks that this is the only case on which I have been approached, I would say that I have had many others—very many. That case, however, seemed so very definite, and there was such feeling about it, that I thought it right to bring that particular case before the committee. I was a little disappointed that the leader of the opposition brought his great ability as a lawyer to bear to show the committee that the appeal court was quite right in its decision in that case.

Mr. BENNETT: Under the decisions, it was.

Mr. YOUNG: I am prompted by the remarks a moment ago of the hon. member for London (Mr. Betts) to say that I think his experience would be borne out by that of a great many others, certainly by those who have to deal with the pension appeal court. During the discussion of that case the leader of the opposition said there was no evidence on which any other finding could be based.

Mr. BENNETT: No, that is not what I said; I said there was no evidence establishing the cause of death.

Mr. YOUNG: Well, if there is any doubt I had better read what was said. The report will be found at page 619 of Hansard:

> When this poor unfortunate man was killed as a result of an automobile collision, it was the duty of those who claimed a pension to prove that that death resulted because of some defect in the appliance provided or for some reason connected with the appliance which he was using and which prevented him from escaping something about which no one knew anything. That is, the hazard that he faced was not known.

Then he went on to say at page 621.

> If, for instance, there had been evidence that there was negligence on the part of the unfortunate deceased, and on the part also of the driver of the car, then the benefit of the doubt would have to go to the man; but when there is no evidence one way or the other, nothing except the bare fact that the man lies dead with a cracked skull, that does not create any presumption one way or the other.

I had not time that evening to read into the record the evidence—it would have taken me an hour or more—therefore it was not presented to this committee except in a fragmentary way. Let me say that the only positive proof which existed that the man's artificial leg failed to work properly at that particular moment went out of existence when he was killed on that street. There was no other positive evidence on that point. But there is abundant evidence to show that he walked with great difficulty, that he walked with a sort of circular motion of that leg, that when he walked backward he found it very difficult to walk at all. There is some suggestion that the leg was a little longer than it should have been. And there is a great deal of evidence that he had great difficulty with the leg. His wife stated positively at the inquiry that on more than one occasion this leg had failed to function. But I did not have time, and up to the present have not had time, to present all the evidence which was given at the coroner's inquiry, and also before the quorum. I am bound to say that this case was heard by one or two quorums and refused. It was heard by another quorum, one member of which decided that there was not sufficient evidence and another member of which decided there was sufficient evidence. They had the evidence before them. Knowing that there was that difference of opinion, what took place? A third member was called in. Who was that third member? As I said the other night, it was Mr. Justice Taylor of the court of king's bench of Manitoba. Am I to understand that the leader of the opposition would suggest to this committee, or to anyone, that Mr. Justice Taylor gave a verdict without there being in his opinion anything in the evidence to justify it? I am quite sure that neither the leader of the opposition nor any other hon. member would take such a view. Certainly that was not the case. But I was very much interested in the fact that the defence which was offered that night was a defence of the president of the court of appeal, Mr. Justice Hyndman, who, the right hon. gentleman said, had been his friend of long standing.

I was just wondering why there was not the same defence of Mr. Justice Taylor's decision. I should have been extremely glad if I could have had the support of an hon. member skilled in the law, to the extent to which the right hon. leader of the opposition is skilled, in favour of trying to get justice for persons who came before that court of appeal. Yes, I would have been very glad of that. But I regret to say that the only thing I heard from the leader of the opposition was a defence of this particular gentleman, Mr. Justice Hyndman, who is the president of the court of appeal. The right hon. gentleman says that the appeal court was set up to determine questions of law. I shall quote from the discussion which took place on the evening of February 18, as it is recorded at page 620 of Hansard.

Mr. BENNETT: Of course this is all out of order.

Mr. YOUNG: It is the same debate.

Mr. BENNETT: No, it is not.

Mr. YOUNG: Perhaps my right hon. friend does not like it, but it is the same debate.

Mr. BENNETT: Anything the hon. member said would not be of the least concern to me, or anybody else I have ever heard of.

Mr. YOUNG: Perhaps I did not get the remark quite correctly, but I might say this, that if my right hon. friend thinks his remarks are taken seriously by the people of Canada, all he has to do is to look around this house, and many other houses in Canada, and he will see they do not pay very much attention to them.

Mr. BENNETT: They seem to be by one person.

Mr. YOUNG: The right hon. gentleman said:

I am satisfied, knowing Mr. Justice Hyndman as I have for thirty years and knowing that very few of my acquaintance are more sympathetic than he—

And then upon being interrupted he said:

It is not a question of guessing at it; I know he is sympathetic. But one of the reasons that an appeal court was constituted as it was, was for the purpose of preventing what may be called the play on sympathy in determining ultimate responsibility.

Then I asked:

Would the right hon. gentleman not say the same thing about Mr. Justice Taylor?

Later on in my remarks I said that perhaps the right hon. gentleman meant to say that Mr. Justice Taylor's heart had got a little in advance of his head. Then the right hon. gentleman said:

I did not express any opinion about Mr. Justice Taylor.

Again at page 620 the right hon. gentleman said:

Yes, but Mr. Justice Taylor approaches the problem with a warmer sympathy than would be possible when you have to determine a pure question of law.

I wish to point out that in this particular case we had two judges. I believe both were well qualified. They passed on the case.

Surely if the benefit of the doubt clause means anything there is abundant evidence even now before this committee to show that that clause was not followed by the pension appeal court. We had a quorum, on which an eminent judge sat as one member, which granted the pension. As I said the other night, and wish now to repeat, any time a quorum grants a pension, that pension should be allowed and be given to the applicant, whether to a soldier or the dependent of a soldier. We should not have persons referring these cases to the court of appeal.

What happened? Of all the pensions which had been granted by the quorum but which went to appeal, which the reviewing officer had asked that they be sent to appeal, more than one-third were taken away by the pension appeal court. Surely there is something hard and cold about all that. I stated the other day that in 1936 and 1937 out of the 4,781 cases which went before the court of appeal, only 43 were granted on appeal. As I have just stated, in respect of those appeals by the crown from decisions of the quorum in favour of the applicants, more than one-third were taken away.

A few minutes ago the hon. member for London gave his experience when he said that he believed the court was not functioning in a manner which was in the interests of the soldiers. He said that the court was hard-hearted, or used words to that effect. I suggest that the figures I gave to-day and the other evening would indicate that this pension court of appeal is of no use at all so far as the soldiers are concerned. I suggest to the minister that if we are satisfied the court of appeal is not functioning in the interests of the country, the soldiers or their dependents—and I want to include all three—then it is our duty to abolish it.

During my experience in the house, which began in 1925 or 1926, I have never known, in connection with any of the legislation, of a case in which politics was mixed up. But when the pension appeal court was set up when the leader of the opposition was in office I noticed that every member happened to be of one political stripe. I know, too, that when the present minister appointed the chairman of the pension commission he was not looking at political stripes. In fact, he chose a man as chairman who does not happen to be of the same political stripe as himself, and in doing that I take it he was trying to get the best man available.

When men are retired from the bench I do not believe in putting them to work in other positions. I say that, whether it applies to the pension appeal court, the tariff board or anything else. I am obliged to say that I do not believe in giving any man in that position two salaries. Mr. Justice Hyndman receives $8,000 a year as president of the pension appeal court. He receives $1,000 more than the other members of the pension appeal court, and in addition he receives a retiring allowance of $6,000 a year because of his having been a judge of the Alberta court. That makes a total of $14,000 a year. I say here and now that when a man is retired—I do not care who he is—and is receiving a pension of $6,000 a year, he is not entitled to be re-hired in some other capacity or to another position carrying a salary of $8,000 a year.

I do not bring up this matter with the idea of casting reflection upon anyone; I am simply presenting the facts as I see them. I am convinced beyond any doubt, certainly beyond any reasonable doubt, that the present pension appeal court is not viewing the soldiers' problems in a light which can be considered to be even reasonable. The benefit of the doubt clause states that the pension appeal court shall draw from all the circumstances of the case, the evidence adduced and the medical information, all reasonable inferences in favour of the applicant. I ask myself, Was that done in the particular case which I laid before this committee? The act does not say positive evidence; it says all the circumstances of the case. I have not the time or the desire to outline all the circumstances of that case. I ask, Were reasonable inferences drawn in favour of the applicant? I do not think any hon. member of the committee who was present on that night or who is present this afternoon, would say that that was done.

Since that time I have received communications from many people, including eminent legal gentlemen, who have stated that from the fragmentary evidence which I gave they feel sure that if the benefit of the doubt clause had been properly interpreted there was no doubt as to what should have been done in that case. Hon. members who were in the chamber that night have spoken to me about it and with one exception they have all said that in their opinion the benefit of the doubt clause was not invoked in favour of the applicant. They told me that had that been done they felt sure the pension would have been granted.

I am going to appeal to the minister to give all these matters his serious consideration. In my opinion this court is not functioning in the manner in which this parliament expected and intended it should function. Consequently it is our duty to see that this state

of affairs shall not continue any longer. Sometimes I ask myself just why we are here. We have a responsibility to those whom we represent. We all represent a great many of these unfortunate persons who were wounded during the war and I submit that we must rise in our places and make our position definite and clear no matter whom we may offend. Again I ask the minister to consider all the facts of this case. He is a sensible man, one of the best friends the soldiers of this country have ever had, and I am sure he will realize that this court of appeal is not functioning as it should.

Mr. GREEN: I asked the minister the other night if he had any figures to show whether the number of first applications was diminishing or increasing.

Mr. POWER: I have not the definite figures before me, but just before coming into the chamber I inquired of the pension commission and was told that for a while during the summer the number had increased, but it was becoming almost normal. There will be a slight decrease for the year.

Mr. GREEN: Two years ago this parliament put a dead-line on first applications. The dead-line for those who served in England or Canada only was July 1, 1936, but for those who served in France it was extended to January 1, 1940. I suggest that that dead-line should be extended for another two years. The new amendments are working satisfactorily, and there are still many men who received gunshot wounds but have not applied for pension. I suggest the minister give serious consideration to granting this extension.

Mr. POWER: It is receiving consideration.

Mr. HAYHURST: From what has been said this afternoon it would seem that members on all sides are in favour of granting some kind of pension to those who served in some capacity in the war or to their dependents. It has also been brought up by other hon. members that those who remained behind should receive some recompense. We have with us this afternoon the Minister of Finance (Mr. Dunning), the Minister of Agriculture (Mr. Gardiner) and the Minister of Pensions and National Health, and it seems to me that these ministers should work together to solve this problem.

This afternoon the Minister of Agriculture said that he could not find a market for the cattle referred to by the hon. member for Lanark (Mr. Thompson). The minister stated that there was a shortage of space in vessels going to Great Britain. We all know that the tremendous surplus of wheat accumulated by the board of which Mr. McFarland was the head was sold at a loss to this country of over $2,000,000. Is that correct? We sell our wheat abroad at a loss; we find it impossible to find a market for our cattle, and yet we have all these people starving.

While I do not think the platitude about poverty in the midst of plenty should be referred to too often by members on this side of the chamber, at the same time there seems to be something anomalous in a situation which does not provide sufficient purchasing power to those who served with honour in the great war and their dependents. We feel that the different departments of the government should be able to solve this situation so that all people, including the returned soldiers—I have been a soldier but I did not serve in the great war—should have sufficient purchasing power. Why should we just worry about the widows and the orphans? We should consider all the people in Canada.

The Minister of Pensions and National Health says that these pensions cannot be granted because the Minister of Finance will not let him have the necessary money. He admits that the problem is practically unsolved. It seems to me that we should get together to consider the situation. We have this food and these cattle in abundance—I have a large number of cattle myself that I cannot get rid of at a profit if they are sold under the orthodox system of finance—and yet many people cannot purchase the necessities of life.

I trust that my remarks will not be considered as irrelevant. I simply state the situation as I see it. We hope that the government will do their best to solve this problem.

Mr. POWER: I thank my hon. friend for his suggestion. If only I could come to believe, or better still, if only I could get my colleague the Minister of Finance to believe, in the social credit theories, then all my difficulties would be washed away. All I would have to do would be to call upon the benighted treasury board and tell them to pay this or pay that and they would do it. Unfortunately I have to make arrangements to pay in real money. My hon. friends in the far corner may not have to do that, but I do. I must pay in the kind of money that everyone expects. I have not proceeded far enough in my financial studies to know whether or not it is good money; but I do know that the people to whom the Department of Pensions and National Health have to make payments want the kind of money the treasury board will issue, and not the kind of money my hon. friends would give us. If they can

settle that for me, I am quite willing to issue all the cheques necessary, or ask the treasury board to give me all the cheques that are requested.

Mr. BLACKMORE: I am very glad that the minister has made that remark, because our suggestion was that he pay in goods, and I am wagering that these widows would just as thankfully accept coal, flour, butter, eggs, cheese or a great many other things.

Mr. McLEAN (Melfort): Where would you get the goods?

Mr. BLACKMORE: From the abundance in Canada.

Mr. McLEAN (Melfort): Who has it? I would suggest that if my hon. friends possess such an abundance of goods as they so often speak of, they might give some of it to the people in their own province or anywhere else they happen to be who are in need.

The DEPUTY CHAIRMAN: This discussion is entirely out of order.

Mr. MacNEIL: I wish to support the suggestion made by the hon. member for Vancouver South (Mr. Green) that the deadline for applications for those who served in a theatre of war be extended to 1942. Formerly there was incorporated in the act a provision that if there was on record in the documents an injury, wound or disease due to service, it should be considered as an application; but that section has been deleted from the act. There is a large number of men who have not yet made application for various reasons, possibly because of an independence of spirit or because they are residing at some remote point. I know the minister will take every step necessary to protect their interests.

Perhaps I did not make myself clear to the minister the other evening in requesting information in regard to what extent the medical men under the jurisdiction of the Canadian pension commission have sanction to authorize treatment. May I ask this simple question: What authority, if any, has the pension commission to authorize treatment for pensions?

Mr. POWER: I do not know just what my hon. friend means. The pension authorities have their own medical men who are primarily pension medical officers, and they examine for pension. There are no longer any water-tight compartments. The two branches of the department were at one time, as my hon. friend knows, absolutely distinct and separate, and there was perhaps some confusion, but at the present time they are not separate. Perhaps the best instance I know of to give as an illustration is that in Regina where, owing to the retirement of the district administrator there, Doctor Wickwire, on account of age, the position of administrator was opened, and the pension doctor, a man formerly under the control of the pension commission, took his place, and so the two positions are now one. The man is at one and the same time a pension medical examiner and district administrator and chief medical officer. I think similiar conditions obtain pretty generally throughout the service.

I made some inquiries following my hon. friend's question the other evening, and I think I can state on the authority of both branches that there is no case of strife or dissension between the commission medical men proper and those engaged in treatment. There are occasionally matters of administrative detail which have to be worked out, but there is no conflict. I doubt very much whether we could ever go back to the system which existed prior to 1927 before the Scott report was made, when indiscriminately pension medical men and treatment doctors had the right to order men in or out of hospital, whereby almost endless confusion resulted, because it was impossible to make a proper check under those circumstances. Now that their work has been coordinated to the extent to which I believe it is I do not think there is any necessity of following any other procedure than that followed at the present time.

Mr. MacNEIL: I am not suggesting that there is any conflict. What I am suggesting is that perhaps the treatment branch has no definite responsibility with regard to the treatment required for pensioners, and perhaps I can best illustrate that by giving a type case: Regimental No. 103431, private X; Canadian pension commission, No. 54107. This man enlisted on March 1, 1916, and served in France.

Mr POWER: Is it the Regina case?

Mr. MacNEIL: No; he is resident in Seattle. He was discharged on January 14, 1918, as medically unfit. On enlistment he had operative scars resulting from varicose veins, both legs, which were not considered to be causing any disability at the time of enlistment. During service he was treated for dental caries, I.C.T. right foot, and neurasthenia. The medical board on February 1, 1917, reports the condition of shell shock, also hallux valgus. Pension is in effect for disability resulting from (1) neurasthenia, (2) varicose veins and (3) hallux valgus. The condition of neurasthenia is considered to have been incurred during service. The conditions of varicose veins and hallux valgus

are considered to be pre-enlistment conditions, obvious on enlistment, and aggravated one-fifth of the entire condition by service in France. Entire disability, forty per cent. Pensionable disability, sixteen per cent. That describes the condition of this pensioner.

On November 26, 1937, the United States Veterans' Administration in Seattle, Washington, reports that the pensioner has very marked varicose veins, left lower extremities, with a moderate amount of hallux valgus, and that surgical treatment is very necessary, and it is recommended.

On December 17, 1937, Doctor F. W. Blakeman, Department of Pensions and National Health, who, I understand, deals with all cases outside Canada, advised the United States Veterans' Administration as follows:

> We have received the medical report of November 26, recommending operation for varicose veins. As this condition ante-dated enlistment, and as it was only aggravated to a very slight degree as a result of service, it is not considered that the extent of this aggravation is sufficient to warrant this department in undertaking any major treatment expenses. If, however, the condition can be treated by injection method at the out-patient clinic, we are prepared to authorize this form of treatment as a special consideration.

On January 5, 1938, the United States Veterans' Administration advises the Department of Pensions and National Health:

> We have no facilities in this office for this type of treatment for such a severe degree of disability.

The point in this case is incorporated in this statement, and I wish to refer to one aspect of it, again in discussing the care of patients:

> Following the refusal by the department to provide surgical treatment for the pensionable condition of the above named, the Canadian pension commission increased his pension on the grounds that his disability had increased.

I submit that that is a clear-cut case where it would be in the public interest as well as in the interest of the pensioner himself to grant treatment. As I understand the situation, the pension medical authorities have no power to do anything more than refer this case to the treatment branch, and they cannot recommend or authorize treatment.

Mr. POWER: My hon. friend is not complaining that the man's pension was increased, is he?

Mr. MacNEIL: No.

Mr. POWER: That is what his complaint amounts to.

Mr. MacNEIL: May I point out that the man required treatment, and that the men are more interested in having their disability treated than in getting an increased award of pension.

Mr. POWER: He gets an increased pension, which would probably permit him to get another doctor to treat him.

Mr. MacNEIL: I bring up this type of case to show the necessity for some regulation to cover the point. I have another case here.

Mr. POWER: I shall be glad to have the particulars.

Mr. MacNEIL: It is a case requiring dental treatment. I am referring, not to cases requiring dental treatment because of injuries to the jaw, but to cases where the condition of the mouth is a menace to health with a bearing on the pensionable disability, and where it would be in the interests of the pension commission as well as of the pensioner himself to have treatment extended.

This is the case of regimental No. 40686; private X; resident in Elgin, Ontario. He is in receipt of a pension at the rate of fifty per cent for pulmonary tuberculosis. The departmental medical representative at Elgin recommended dental treatment, which he considered to be vitally necessary in this case to prevent a relapse. I mentioned this case in passing the other evening. The medical representative considered dental treatment vitally necessary to prevent a relapse, and pointed out that examination of the man's chest revealed very suspicious signs of a possibly active tuberculosis. Under the revised regulations effective in June last, dental treatment was refused by the department, presumably on the grounds that this pensioner was not under treatment by the department in hospital.

Mr. POWER: The regulations in regard to dental treatment, to which my hon. friend refers, are more generous than the former ones.

Mr. MacNEIL: I said the dental regulations effective in June last. The department will not extend dental treatment to a class 2 patient unless he actually goes into an institution to receive such treatment. I think the minister well knows that a case of tuberculosis requires the very best in the way of nourishing food, and therefore the condition of the mouth is extremely important. If there is anything that interferes with proper mastication of food, the man does not get proper nourishment and is unable to keep his tuberculous condition in an arrested state.

Under the previous regulations this man would have received the necessary dental treatment on the authority of the department; but under the new regulations it is refused

although recommended by the department's medical representative, and this may result in a definite physical break-down. As the minister knows, we spend vast sums of money treating tuberculous pensioners in sanatoria, to arrest the progress of the disease. The present policy of the treatment branch, if persisted in, may ultimately lead to a break-down of a large number of these tuberculous cases, necessitating further sanatorium treatment, increasing the cost to the state, as well as increasing the man's disabling pensionable condition. There is a great deal of dissatisfaction. The criticism is not directed against the minister; the dissatisfaction is with the treatment branch, because of what may be termed petty, chiselling tactics. I ask the minister to give an assurance that the pension commission shall have the absolute right to authorize treatment when it is indicated in the interests of the pensioner as well as in the interests of—

Mr. POWER: I will not do that. I will give the hon. member the assurance that I will not, because it would be very bad administration; that is the principal reason. But in so far as telling every officer in the department, wherever he is, from the highest to the lowest, that there is to be "no chiselling on the soldiers," that was done the first time I came in. There is not going to be too much petting of them, nor will there be any chiselling anywhere.

The hon. member will recollect, if his memory takes him over the years as mine does, that all the way through it has been the habit to blame some one person or some one branch. At one time no member of parliament dare mention the pension commission in this chamber; if he did, immediately there was a storm. The pension commissioners, and particularly the chairman of the commission, were persons to be avoided. The chairman's name was not even respectable, and the very idea of that commission, or anyone having anything to do with pensions, looking after the treatment of the poor soldiers, would have raised a revolution in this house. That was only because for some reason or another the soldiers had taken an aversion to the personality of the man who was then in charge of pensions. At another time it was some other official. But in spite of the particular antipathy, rightly or wrongly, of certain hon. members or of certain soldier associations, the administration of the department must go on, and I cannot give the assurance to any hon. member that because he does not happen to like the colour of the hair of some of the doctors in my department I am going to change the whole system. That would be neither fair nor reasonable.

As I have said, in years gone by we got ourselves into endless difficulties by having two authorities having equal jurisdiction over the persons who were to be treated in our hospitals. It was found after the fullest investigation by an outside body, a firm of accountants and experts, that this system could not work, and the result was that we arrived at what we are doing now. I did not create what now exists; but I certainly would not like to bring about a kind of earthquake in the whole administration of the department, particularly when by good will and coordination we can get far better results, and I think that is what we are now getting.

As to the cases cited by the hon. member, let me say something which perhaps will not please some people. There has been a tendency, which I am trying to make disappear as far as the department is concerned, on the part of both the soldiers and the department to argue a case purely from the technical standpoint. They are chasing one another around by the tail. The house passes some piece of legislation with the laudable intention of bringing under the benefits of pension law or of treatment a particular class of people. Immediately others who are no more entitled to it than the man in the moon come in under it. The result is that in the minds of some of the officers there may be a hardening against people who take technical advantage of the act to obtain certain things.

One of the worst cases with reference to treatment, one that has given me the most trouble, is that of a man who, after having been discharged from the United States army because of tuberculosis, was three days in the Canadian army before he went to hospital, where he remained. We have spent $35,000 on him, and never a day passed but there were complaints from that man that he was not getting enough pay and allowances. He received pay and allowances from 1917 on. Very recently, unfortunately, he died. But that man continually bothered us and had half the returned soldier organizations in this country bothering us, trying to take advantage of some technical point that his disability was aggravated during the three days' service he had in the Canadian forces prior to being hospitalized.

Sometimes the soldiers go too far. If there has been any tendency in the department to resort to technicalities—a tendency which I hope and believe I have been able to check by constantly repeating that such is not the policy of the department—it has been to some extent the fault of those who endeavoured to take advantage of the legislation to obtain for themselves benefits to which they were not entitled. If there are complaints from all

over the country—and I receive them, as no doubt every hon. member does—that certain people are drawing one hundred per cent pension to which they are not entitled, it is because of this very tendency; they have taken advantage, perhaps properly, of the act because possibly we have not given sufficient consideration to all the implications of the legislation we introduced.

Mr. MacNEIL: I wish to make it clear that I am not animated by personal antagonism to any particular official of the department, nor am I directing this criticism to the minister. I see no reason why the minister should have entered into such an elaborate defence of his department. But in the last two years, from constant contact with a number of cases, I am convinced there have been definite indications of some tightening up in the application of regulations—

Mr. POWER: I deny that.

Mr. MacNEIL: —by certain officials in the treatment branch. That is evident as you meet the men, not "lead swingers," who have been deprived of various attentions that they formerly received. I think I am competent to judge of a "lead swinger." I am here citing the cases of two men who gave evidence of making an effort to reestablish themselves; they desired treatment in order that they might carry on in their occupations rather than be wholly dependent on a pension.

Mr. POWER: I absolutely deny there has been any tightening up of the treatment regulations since I came into office. On the contrary, the hon. member will find that the system is as wide open as it can be; that instructions have been given everywhere, "The regulations are not there to keep people from getting treatment; they are there to enable them to get it." That is the theory on which the officers of my department are instructed to act.

Mr. MacNEIL: I accept the minister's assurance and I believe every hon. member knows that his attitude towards the problem has been as he has stated.

Mr. POWER: I resent the implication that since I came in we have tightened up. It is not true.

Mr. MacNEIL: I withdraw any remark of mine which leaves the inference that the minister has been in any way responsible. The minister must be aware, however, that at certain times officials in endeavouring to draw up regulations may lop off here and there, perhaps unjustly, men who should receive pension or treatment. When I mentioned that period I was not referring specifically to the time during which the department has been under the present minister. I am not developing an attack against the department.

Mr. POWER: I wish you were; there would be something to answer.

Mr. MacNEIL: I am merely suggesting that there should be a regulation whereby, when the pensions medical authority passes in favour of the pensioner, that judgment shall be acted upon without hesitation by the treatment branch. If the minister can give some assurance that this can be done—and I believe that he has the power to do so—the trouble in this regard will disappear immediately.

Mr. CLARK (York-Sunbury): Is there any possibility of a pension being increased in a case of this kind? A man was given a pension of $17.25 a month, being then able to work. Subsequently he was unable to work and was advised that if it could be shown that he had a defective heart condition, further consideration would be given him. He was examined and was advised by the pension commission that there was no change in his pensionable condition since his previous examination, and under these circumstances no consideration could be given him. This man was unable to work; he is still not able to do anything. Is there any possibility of an increase in a case of that kind?

Mr. POWER: I assume it was decision of the pension commission, which alone has authority to assess and award or to refuse pensions.

Mr. GREEN: We have had complaints about quorums of the commission taking the opinion of medical men who live in a different city from the applicant. For example, a man may appear before a quorum in Calgary and have medical evidence given there, but then his file is sent to a doctor in Toronto or Montreal for an opinion.

Mr. POWER: I never thought that medical science was confined to one locality. If a man is a good doctor he is as capable of diagnosing diseases in Calgary as in Toronto. Perhaps, however, I misunderstand the hon. gentleman's statement.

Mr. GREEN: The point is this, that the man is actually seen in person by the doctor in Calgary and not by the doctor in Montreal or Toronto as the case may be. I understand the departmental hospitals are all in large centres. Would it not be possible to have experts in the different cities pass upon these cases only after actually seeing the

applicants, instead of the quorums simply referring a man's file to a doctor in another city who has never seen the applicant? There is a good deal of complaint in that regard, and I am wondering whether it is not possible to alter the present method.

Mr. POWER: It is a little difficult to bring every applicant who claims that he has a disability, from Calgary to Montreal or Toronto for examination by specialists there. It would be costly.

Mr. GREEN: Could he not be examined by an expert in Calgary?

Mr. LENNARD: I wish to draw to the attention of the committee a certain case, not as an indvidual complaint but as representing the position of a considerable body of imperial war veterans in Canada. For the purpose I might read part of a letter I wrote to the chairman of the pension commission on October 30, 1937. I shall not mention the name. The letter refers to No. 510250 and reads:

> I have had drawn to my attention the case of the above mentioned man, who is confined to the Mountain Sanatorium, Hamilton, Ontario, suffering from T.B.
>
> He was an acting sergeant in the Army Service Corps, 3rd Divisional train for several years when through a shortage of officers in the artillery of the Imperial army, he joined that force and served in same for several years until gassed at the front. He served in the Imperial Army in the 168th Siege Battery 68th Brigade.
>
> As you know, during the war, there was a certain amount of encouragement offered capable men in the Canadian ranks to join and take out a commission in the Imperials. This encouragement being of course on solely patriotic grounds. I feel, however, that there is some weight to my argument that while this man was gassed while in the Imperial forces, he left Canada in the Canadian ranks and is, in my opinion, a responsibility of the Canadian government.

Two days later I received from General McDonald a letter in reply in which he said that under the Pension Act nothing could be done. He suggested, however, that this man might apply under the War Veterans' Allowance Act. Unfortunately the man died four days after, though that is not the point. What I want to emphasize is this. If a man leaves Canada in the Canadian forces and is allowed to transfer to another unit, our responsibility to him as Canadians does not cease.

Mr. MacNEIL: I wish to direct the attention of the minister to the neurological cases. The situation that existed and was discussed in 1936 has not improved; in fact it is getting worse. I would ask that these men receive the protection originally intended by parliament under section 11, subsection 1 (b) of the Pension Act, which reads:

> No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces; but no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect.

The amendment, for which I hope to get the approval of the minister, is that after the words "congenital defect," there be added the words "of a nature other than mental, psychopathic or neuropathic." The interpretation placed upon the words "congenital defect" results in great injustice to those who suffer from certain types of mental or nervous disease. The problem has appreciable proportions; there are 4,500 suffering from nervous diseases, and possibly a large percentage of these would come under this particular section.

I shall not attempt to argue with the doctors. I know that many eminent members of the medical profession have expressed opinions on this matter, but it is far more important to look at it from a common sense point of view and particularly in the light of the original intention of parliament. When you consider the history of the Pension Act, it was clearly the intention of parliament to pension for the entire disability apparent in a man at the time of his discharge, provided that any pre-enlistment condition was not obvious or wilfully concealed. The words " or was a congenital defect" were added subsequently to 1918 or 1919, but clearly for the purpose of dealing with such defects as a bodily deformity which perhaps was not apparent at first. It was never the intention of parliament to deprive those suffering from nervous or mental disease of the protection which this section affords. I might refer to some important statements made in days gone by with respect to the intention of this section. The Hon. Mr. Rowell, chairman of the parliamentary committee in 1919, made a statement in the house. The statement is reported in Hansard of 1919 at page 4174 and is as follows:

> If a man reached France, then he gets a pension, regardless of any pre-existing disability. That is the law as it stands in the pension regulations.

Again, discussing the report of the committee he said, as reported at page 4176 of Hansard of the same year:

> But the committee thought, if the army medical service passed a man through and he

actually got to the front, we should ignore any question of pre-existing disability and grant him a pension.

Mr. Archibald, then legal adviser of the board, made this statement:

Those who got to France are pensionable for any disability which exists in them at the time of discharge unless the disability was obvious or concealed on enlistment.

And he goes on at length to present the argument, concluding with these words:

The parliamentary committee of 1918 came to the conclusion that if any man reached a theatre of actual war it must be definitely presumed that he was absolutely fit upon enlistment unless it could be proved that there was a pre-enlistment disability which was concealed or was obvious, or was of so minor a nature as not to cause rejection from service.

In 1922 the pension board gave effect to a memorandum which became famous at that time. Paragraph B stated:

That in any case previously fully pensionably under section 25 (3)—

Now referred to as section 11 (b).

—and in which it is decided that aggravation on service has ceased, further pension cannot be awarded after the aggravation is deemed to have disappeared.

That was dealt with by the Ralston commission, which reported as follows:

(b) The commission is further of the opinion that, in view of the circumstances hereinbefore set out as to the application of section B of the minute of September 29, 1921, all cases within the provisions of section 25 (3) in which pension has been discontinued on the ground that aggravation or increase of disability on service has ceased or disappeared, should be reviewed and adjusted on the basis of the ruling contained in the general instruction of June 26, 1922.

Appropriate action was taken subsequently by parliament and we have the present section 11 of the Pension Act.

Now the chief neuropsychiatrist of the department prior to the parliamentary committee of 1936 reviewed a number of these cases. I shall not go into the evidence taken on that occasion except to say that any change of diagnosis in any of these cases affected the decision of the pension commission. Apparently he made an attempt to review and analyse the files a little more closely, for the purpose, he said, of constructive treatment. Here, again, I am not questioning the professional status of this medical gentleman; but he does say with reference to men incapacitated to-day as a result of mental or nervous disorders, designated neurological or psychoneurotic cases or whatever the term may be, that in the majority of these cases the disabilities were of constitutional origin. He claimed that a man had a psychopathic personality of constitutional origin; that a neurosis, probably anxiety neurosis, was superimposed on that mental defect during service, and that subsequent to service this had subsided, or if still in existence was due to economic conditions or worry. Therefore entitlement would be admitted only in respect of the neurosis or what might remain in consequence of neurosis, but no consideration could be given under the Pension Act to the pre-existing psychopathic condition or mental defect which he contended was of constitutional origin. That results in depriving all these men of the protection designed for them by parliament as far back as 1918 and 1919.

To all intents and purposes this man was fit on enlistment, if any mental defect existed in him at that time, even though of constitutional origin, it did not deprive him of ability to carry on in his occupation or to serve effectively in France, nor was it apparent to anyone. As far as evidence goes in the majority of these cases, the man carried on in normal fashion, discharged the ordinary duties of life and the duties required of him in the army effectively until the break-down. The neurosis, or mental or nervous break-down, or whatever term may be used, was the last straw, was the disturbing factor which resulted in a break-down. The very fact that they admit the presence of that neurosis is in my opinion admission of a very definite aggravation. As a layman I cannot see how it is possible to draw the line between the pre-existing psychopathic condition, if it did exist prior to enlistment, and the neurosis. Certainly, in combining the two, the result is almost disastrous to such a man. We have them in large numbers of cases to-day wholly incapacitated as a result of that experience in service. I consider that attempting to delve into the pre-enlistment history is grossly unfair and unjust. In the cases I have had opportunity to examine there is no evidence of pre-enlistment condition. The opinion ventured by the chief neuropsychiatrist of the department is based on medical theory; and, as they admit themselves, the science is not exact by any means. These decisions are hair-splitting and based on fine-spun medical theory alone.

As I see it, there is only one way now of extending to these men the protection originally intended by parliament, that is by a definite amendment to the act such as I have suggested. I think the minister is right in suggesting that no good purpose could be served by attacking the medical officer in question, though I disagree with him on his findings. I am well aware that a board of consultants brought down an opinion more or less upholding his views; but I point out

that the doctor himself went on the stand and said he was approaching the problem from the point of view of constructive treatment, and I have not yet discovered that it has taken fully into consideration the consequences of that change of diagnosis when that opinion is passed on to the pension commission.

It may be said to the credit of the chairman of the pension commission that he has carried on attempting to administer justice in the majority of these cases with very little change of policy; nevertheless the situation of many of these men at the present time is precarious. I am well aware that the chief neuropsychiatrist is an official of the treatment branch and that the pension commission is under no obligation to accept his opinion; nevertheless when a man of his professional status does place on file a finding or diagnosis as I have described, and uses the term "of constitutional origin," that must of necessity influence the opinion of the medical men on the pension commission. It is held as being synonymous with the term "congenital defect". That interpretation of this section, in the light of the medical evidence and medical opinion expressed, is as I say depriving several thousand ex-service men of the protection originally intended under the section which I have quoted. I hope the minister will take the earliest opportunity to open this subject up by way of amendment to the act and make very clear that pre-enlistment conditions of this nature are not considered in regard to pensions in connection with those who served in a theatre of actual war.

Mr. QUELCH: I understood the minister to say a little while ago that he would like to give the committee a decision on the question of widows' pensions.

Mr. POWER: No, I did not. I am giving an opinion.

Mr. QUELCH: Well, would it not be possible to place that opinion before this committee at this session?

Mr. POWER: I hardly think so.

Mr. LENNARD: Would it be possible for further negotiation to take place between the governments regarding the problems of ex-service imperials at present in Canada?

Mr. POWER: I have no objection to taking part in any negotiations. I would not mind a trip to Europe if the government is willing to send me to negotiate, but I do not know what I could say to them more than I have already said.

Mr. GREEN: Will the minister explain the decrease in this vote this year?

Mr. POWER: Based on the figures covering the operations of the Canadian pension commission over a period of nine months, I anticipate that the total amounts paid out in respect of European war pensions which, for the fiscal year 1936-37 amounted to $41,424,432.74, will, during the current fiscal year, show a reduction in the vicinity of $600,000. In that year $40,330,000 comprised the regular monthly payments made to pensioners. This amount will show during the current year a net decrease of about $130,000.

There are many factors and activities which produce variations both up and down in these amounts, but by far the major influences leading to decreases are the deaths of pensioners and the discontinuation of additional allowances to children on their reaching the age limit for pension—sixteen in the case of boys and seventeen in the case of girls. On the other hand, the amounts are increased by new awards of pension; by the extension of additional allowances to children beyond the age limit, who are continuing at school and whose parents are in necessitous circumstances, and by the increase in the rate of pension to existing pensioners whose disabilities are causing them greater handicap as the years go by. Other factors of a minor nature enter into the financial picture, but are not of any considerable moment in the aggregate.

Deaths of pensioners are providing a reduction of approximately $750,000, and the discontinuance of children's allowances, less the amount allowed for extension beyond the age limit, will account for about $480,000. These are the major factors on the decrease side.

On the other hand, new awards of pension, both to ex-soldiers themselves, who receive entitlement, and to widows and dependents of those who die, will amount to about $535,000, and the increased pension due to higher percentages being paid will add another $540,000. Other major factors which will have the effect of reducing the amount are the sums involved in what are described as first payments and retroactive payments. These are non-recurring payments which cover back periods for which pensioners are entitled to payments under the provisions of the act. In 1936-37 these payments accounted for $938,000. Largely due to the limitations on such payments provided for in the amending legislation of the session of 1936, during the present year these sums will show a very considerable reduction, and will not amount to more than $450,000, making a reduction under these items alone of nearly half a million dollars.

In regard to actual numbers, new awards to disability pensioners have been slightly greater than the numbers of deaths and discontinuations. As at December 31 last there was a total of 79,881 disability pensions and 18,122 dependent pensions, a total of 98,003, involving an annual liability of $40,589,757.

Mr. GREEN: Is it expected there will be a decrease each year?

Mr. POWER: I cannot say; I do not know. It is likely, but probably not so substantial.

Mr. GREEN: In view of the different points which have been raised throughout the discussion of the item, would it be possible to have amendments made to the Pension Act at this session?

Mr. POWER: I do not think the hon. member would expect me to tell him about any legislation at this time. For the moment I am considering whether I shall bring in legislation dealing with the Pension Act. So far no decision has been reached. That is the best answer I can give.

Mr. MacNEIL: I do not wish to weary the minister and members of the committee; but as the minister has said, this is our one opportunity of advancing suggestions with respect to amendments to the act. I would suggest that if the minister is considering amendments he might consider the deletion of section 77. This section reads:

> Notwithstanding anything contained in this or any other act, no pension, or additional pension, awardable or payable under the provisions of this act, shall be awarded or paid,
>
> (a) under schedule A or schedule B of this act, to or in respect of any child of a member of the forces or pensioner, if such child shall have been born on or after the first day of May, 1933;
>
> (b) under schedule A of this act, to or in respect of the wife of a member of the forces or pensioner, if she shall have been married to him on or after the date aforementioned—

And so on. I think all hon. members clearly understand that this section was introduced as a measure of economy and at a time when national revenues were at a low ebb. According to statements by the government, that condition no longer persists. They say we are well on the way to economic recovery, and I think we may well do as has been done in Australia, namely, restore benefits formerly taken away because of economic pressure.

Under subsection (a) of this section a very curious situation arises. Two of the children of a pensioner may be receiving a pension, but two of them born subsequent to May, 1933, may not receive a pension. This is a difficult situation to explain. Furthermore, with regard to wives who marry subsequently —say in 1932—it is becoming extremely difficult to explain to them why, even if a husband dies from disability held to be attributable to war service, a pension is not awarded. Many rather unfair anomalies exist, and I would ask the minister to take the matter into consideration when he has in mind amendments to the Pension Act, or if he decides to bring the act under review this session.

The DEPUTY CHAIRMAN: Carried?

Mr. MacNEIL: As the item is not carried, there are a number of other suggestions. The item is not carried, is it? I have other suggestions to make.

The DEPUTY CHAIRMAN: The debate on it is closed, if it is carried.

Mr. POWER: I have no objection to permitting it to stand. We shall have to have another two hour sitting at some other time, with respect to the same item. If the item were passed, I should be very grateful to the hon. member; but if he does not wish it to pass, there is nothing I can say.

The CHAIRMAN: I asked if it carried, and no one said anything. I assumed that it had.

Mr. MacNEIL: Two members were on their feet.

Mr. GREEN: Would the minister permit discussion of one or two points on another vote? If he would do that, we could pass it this evening.

Mr. POWER: I should be very glad to do that. I endeavoured the first night to limit discussion to the single item. Since then the freest discussion has been carried on, but I confess I was not very successful in my attempts to control the committee. It can run as wild as it likes now.

Mr. GREEN: We would like to help the minister, if he would agree to the discussion of pensions on another item.

Mr. POWER: There will be an item under the administration of the whole department, and there will be nothing to prevent an hon. member from making any suggestion he wishes at that time.

Item agreed to.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

NIAGARA FALLS OBSERVATION BRIDGE COMPANY

Mr. A. B. DAMUDE (Welland) moved the second reading of Bill No. 15, to incorporate Niagara Falls Observation Bridge Company.

He said: Mr. Speaker, I do not think it will be necessary for me to make any extended remarks at this time in connection with this bill. This is a bill to incorporate the Niagara Falls Observation Bridge Company which is to erect a bridge between Niagara Falls, Ontario, and Niagara Falls, New York. It is felt that this bridge will be very much in the interests of the public at this particular time.

Mr. HEAPS: I notice by the newspapers that it is the intention of the Ontario government also to erect a bridge. May I ask the hon. member if the Ontario government have expressed any wishes in regard to the present bill?

Mr. DAMUDE: To the best of my knowledge this bill is in accordance with the wishes of the Ontario government and the Niagara Falls park commission.

Mr. MacNICOL: I may not be in order in asking this question, but I notice from the papers that one of the promoters of this company is related to one of the commissioners of the Niagara Falls park commission and another is related to the Minister of Highways of Ontario. If this report in the papers is correct, it does not seem quite right to me that this bill should go through.

Mr. DAMUDE: I think the statement with respect to the first gentleman is correct.

Mr. MacNICOL: Which one is that?

Mr. DAMUDE: The brother of a park commissioner, Mr. Kaumeyer, is named in the bill. There appears in the bill no blood relation of the Minister of Highways of Ontario, but his law partner is mentioned.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

LORD'S DAY ACT

PENALTY FOR DIRECTORS AND OFFICERS PERMITTING VIOLATION OF THE ACT

Mr. H. E. BRUNELLE (Champlain) moved the second reading of Bill No. 13, to amend the Lord's Day Act.

He said: This amendment to the Lord's Day Act is intended to bring about a better observance of one of the ten commandments, namely, the one that says, "Remember the Sabbath day, to keep it holy." I do not think I need say very much about this bill to hon. members as I have often noticed the atmosphere of piety that falls over the house when you, Mr. Speaker, lead us in prayer at the opening of our daily sittings. I am sure that this bill will meet with the approval of the house.

It has often been said that corporations have no heart. Two centuries ago Sir Edward Coke, who had much to do with the development of the law concerning joint stock companies, said that a corporation cannot commit treason, nor can it be excommunicated; for it has no soul. Hence the behaviour of corporations must be regulated by law. Certain works of necessity or of mercy are permitted to be done on Sunday, and it is not my intention to restrict the list of exceptions now given in the act.

Regretful as it may be, the fact is that certain corporations in the province of Quebec have been violating the provisions of the Lord's Day Act. Before saying anything further, let me comment on the fact that the directorates of these corporations are made up of all nationalities. There are French Canadians, English Canadians and American Canadians, probably in greater number, on these directorates. Our clergy have conducted a most strenuous campaign against these violations and complaints have been made by all classes in all communities without avail.

Our failure to put an end to these violations of the Lord's Day Act is evidently due in part to the fact that the penalties now provided are not severe enough and also to the fact that our working men or labourers are not sufficiently organized to resist the unlawful commands of their employers. Be it as it may, one must come to the conclusion that the penalties provided by the act have not been a sufficient deterrent. Section 14 of the act reads as follows:

> Every corporation which authorizes, directs or permits its employees to carry on any part of the business of such corporation in violation of any of the provisions of this act, shall be liable, on summary conviction before two justices of the peace, for the first offence, to a penalty not exceeding two hundred and fifty dollars and not less than fifty dollars, and, for each subsequent offence, to a penalty not exceeding five hundred dollars and not less than one hundred dollars, in addition to any other penalty prescribed by law for the same offence.

The amended section will read as follows:

> Any person, being a director, an officer, a superintendent or an employee of a corporation, to whose direction or orders any employee is by the terms or conditions of his employment

bound to conform, who authorizes, directs or permits any such last mentioned employee of that corporation to carry on any part of the business of the corporation in violation of any of the provisions of this act, shall be liable, on summary conviction before two justices of the peace, to the same penalties as those to which a corporation is liable under subsection one of this section or, for a first offence, to imprisonment for a term not exceeding three months and not less than one month, with or without hard labour, and for each subsequent offence, to imprisonment for a term not exceeding six months and not less than two months, with or without hard labour.

It will not be necessary to impose the gaol sentence as this will be discretionary. Many corporations have been prosecuted repeatedly; but when that happens, there is always delay in the proceedings. They have the money to go to appeal or even to pay a fine if necessary; but quite often, during and after the proceedings, the same violations are carried on. Much repair work is done on Sundays that could well be carried on during the week. It is manifest that these corporations find it profitable to pay a fine and then continue to violate the law.

Who would object to this amendment? Corporations which are observing the law will not object. I take this opportunity to congratulate the directors of such corporations upon showing the same Christian spirit in the conduct of their business as they show in their personal and private affairs. On the other hand, can it be said that the intended amendment is too drastic? In that case the objectors would be either those who are violating the law or those who intend to violate it. In neither case, I submit, are they entitled to sympathy or consideration.

Now, let us view this matter in the light of the sanctions imposed by our laws against those who violate the commandments of the decalogue, from which our law for the observance of Sunday is derived. Most of the sections of our criminal code having their source in a moral obligation to do or not to do certain things provide for the imprisonment of those who violate the code. Here are a few examples.

"Thou shalt not kill." The violation of the section of our criminal code which is based on this commandment makes the offender liable to hanging, and, in the case of manslaughter, to imprisonment for life, and very few find fault with that penalty as being too extreme.

"Thou shalt not steal." The section of our criminal code which is based on this commandment makes the offender liable to imprisonment for a maximum of fourteen years, and I do not think the penalty is considered excessive, except perhaps by the offenders themselves.

[Mr. Brunelle.]

"Thou shalt not covet thy neighbour's wife." It might be well for me not to make any comment on this commandment, particularly in the presence of bachelor members of the house, knowing not the tree of knowledge of good and evil, and who upon hearing some suggestion of matrimonial miseries might be forever scared away from the state of marriage; so I will pass on.

Now the commandment upon which the Lord's Day Act is based reads thus: "Remember the Sabbath day to keep it holy." Here is a message from the Holy Book in reference to the penalty to be imposed upon those who do not observe the Sabbath day:

> Six days shall work be done, but on the seventh day there shall be to you an holy day, a sabbath of rest to the Lord.

And, sir, note this:

> Whosoever shall do work therein shall be put to death.

My amendment to the Lord's Day Act does not go as far as that. I want the directors of corporations to live, but should they not let others live up to their religious convictions?

I have shown, Mr. Speaker, that the Lord's Day Act is ineffective in many cases inasmuch as certain corporations find it profitable and advantageous to pay the fine and keep on violating the law. I have also shown that, relying on the unquestionable authority and wisdom of the Holy Scriptures, this house will be amply justified in making the penalty for violation of the Lord's Day Act more severe in order to give the offenders the precious advantage of repenting at leisure in gaol for a short time at least.

In conclusion, Mr. Speaker, I make a confident appeal to the good will of every member of the house, and particularly to the high moral and Christian character of the right hon. Minister of Justice (Mr. Lapointe) to accept this amendment, and by so doing the house will have taken a most salutary step towards the enforcement of a law which is based upon the well-known and accepted precept not only of Christianity but of all known religions of the world, that one day of the week must be a day of rest.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, listening to my hon. friend (Mr. Brunelle) I could not help remembering the circumstances under which this act was placed on the statute book. At that time members from my own province were not very keen on the enactment of the Lord's Day Act, and quite an agitation was carried on against it. I remember Mr. Bourassa and my friend Mr. Lavergne holding meetings of protest in the province

of Quebec against this encroachment on the liberty of the subject, and there were quite a number of members on our own side of the house who spoke against the measure, but finally it was enacted. It is interesting to observe that to-day it is a member from the province of Quebec who proposes that the law shall be made stricter at least in one particular.

When my hon. friend introduced a similar bill last year I gave consideration to it, and had the bill come up for second reading I would have supported it. I have no reason to-day to change my attitude. There is no doubt that in the province of Quebec—I do not know whether it is the same in the other provinces—this law has not been observed by certain big corporations as well as it should have been, and labour unions have been protesting strongly against violations of the law and asking that some amendment should be made. When proceedings are taken in the courts against offenders—and it is the attorney general of the province who has to authorize the issuing of proceedings before the courts—a corporation, when it is fined, pays the fine, and that is all there is to it. My hon. friend seeks to make the managers, the men who are in charge of the concern, responsible as well and to subject them to fine and imprisonment, to which the corporation is not subject.

There is one change I would suggest in the wording of the amendment. My hon. friend uses the words "the same" penalties. I think that would be equivocal, because it might mean one penalty payable either by the corporation or by the directors or the managers, and when the bill is in committee I shall suggest that the word "similar" be substituted for the words "the same," so that there will be no doubt that it will hit both the corporation and the directors or managers.

I congratulate my hon. friend upon having taken the initiative in this matter. I may say that the government was to move some amendments in order to meet the wishes especially of the labour unions, and of all citizens who desire that the Lord's Day be observed as it should be.

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

On section 1—Penalty for directors and officers permitting violation of the act.

Mr. LAPOINTE (Quebec East) moved:

That the words "the same" in line 16 be struck out and the word "similar" inserted in lieu thereof.

Amendment agreed to.

Mr. BENNETT: I wonder whether the Minister of Justice has considered the question of the use of the word "permits" in the proposed amendment.

Mr. LAPOINTE (Quebec East): Where?

Mr. BENNETT: In the twelfth line. It would seem obvious that it is quite unfair to endeavour to convict a person of permitting something when he may know nothing about it. It is "a director, an officer, a superintendent or an employee. . . . . who authorizes, directs or permits any such last mentioned employee. . . . . " I think the hon. gentleman who has charge of the bill will have his object met if he limits it to "authorizes or directs", because I can see great difficulties about using that word "permits." It might become a matter of serious moment if it were put forward for prosecution purposes by some person who had ill will or ill feeling, because the directors might be said to "permit" something.

Mr. LAPOINTE (Quebec East): Some under-foreman or similar employee might be responsible.

Mr. BENNETT: Quite.

Mr. LAPOINTE (Quebec East): If the hon. member has no objection to the amendment suggested by the right hon. leader of the opposition—

Mr. BRUNELLE: I have no objection.

Mr. LAPOINTE (Quebec East): —I move:

That the words "or permits" in the twelfth line be struck out and the word "or" inserted after the word "authorizes" in the eleventh line.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

CRIMINAL CODE

PROVISION AGAINST REFUSAL TO EMPLOY OR DISMISSAL FOR MEMBERSHIP IN TRADE UNIONS

The house resumed, from Tuesday, February 15, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 4, to amend the criminal code.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Since the house is in such an agreeable mood to-night, I hope that it will give favourable consideration to this bill, which seeks to guarantee labour the right to organize. When I was interrupted by the "nine o'clock" the other evening, I was pointing out that the trades unions have been urging legislation along this line. The follow-

ing resolution is rather typical of a number that have come to me. The chairman of the Toronto and district joint board of A.A. lodges, after certain of their officials had been dismissed because of their having joined a labour union, passed this resolution:

That the Toronto and district joint board of A.A. lodges, representing 2,500 steelworkers in the city of Toronto, most strongly urge upon the federal government the enactment of Bill 62—

That was the number by which the bill was known last year.

—thereby safeguarding our democratic rights as Canadian citizens and providing penalties for employers who would violate these rights.

This right to organize is being claimed not only by industrial workers but by members of professional organizations. I will read certain excerpts from a letter which I have received from the president of the Newspaper Guild of Montreal.

The Montreal Newspaper Guild was chartered in April, 1937, as a local of the American Newspaper Guild, an international union chartered by the American Federation of Labor. The American Newspaper Guild last June at its convention voted to affiliate with the Committee for Industrial Organization, and this decision of the convention was subsequently sustained by a referendum vote of the international membership. The other Canadian local of the guild was chartered in Toronto in the fall of 1936.

A little later:

On June 23, a number of members of the editorial staff of the Gazette were warned by the managing editor that they were jeopardizing their jobs by joining or retaining membership in the guild. Later that day I was discharged by the managing editor, who told me he had not been empowered to give me a reason for my dismissal. . . . I had been employed by the Gazette for nine and a half years, and at the time of my discharge was assistant telegraph editor. I was then and still am president of the guild and represented the organization at the A.N.G.'s convention in June at St. Louis, Missouri.

It seems to me intolerable that men who attempt to join a labour organization or a professional organization should be intimidated and dismissed for no other reason than that they are members of those organizations. That is the reason for the introduction of the bill.

While it is true that matters of property and civil rights in the provinces—and I emphasize that phrase—come under provincial jurisdiction, I would point out that this is not a matter of a merely local or private nature. It is much wider than that, and hence it seems to me it might very well come under federal jurisdiction. I might point out, for example, that the solemnization of marriage in the province is provincial but marriage and divorce are federal—British North America Act, section 91, item 26. The criminal law is federal, and there would seem to be no real reason why the refusal of an employer to grant what seems to us to be the legitimate rights of the workers should not be made a crime. Within the last few minutes we have undertaken to prevent employers from forcing men to work on the Lord's day. Why should not this much more important question be given favourable consideration?

The criminal code has a number of sections dealing with restraint of trade, the breaking of contracts, and so on. Trade unions were once considered illegal. Now they are especially exempted under section 498, subsection 2. Well, it would seem to me as a layman that if it is proper to put this sort of thing in the criminal code at one time, and later to make special exemptions, the whole subject is one which naturally might come within federal jurisdiction under the criminal code. I suggest to the Minister of Justice (Mr. Lapointe) that it is quite proper that my amendment should find a place in the criminal code.

As one looks over the legislation of Canada and of most countries, one finds that there is one law for the employer and another law for the employee. The minister shakes his head.

Mr. LAPOINTE (Quebec East): Surely it is not a crime for an employee to refuse to work for a certain employer?

Mr. WOODSWORTH: There is a very great difference, as I shall proceed to point out. In many respects the employers are protected. This is the parallel: The employers have the right to organize and they are protected by charters; we ask simply that the employees should be given the right to organize—the right already enjoyed by the employers.

Mr. LAPOINTE (Quebec East): They have it.

Mr. WOODSWORTH: Oh, no. As we go back over British history we find that the nobles once ruled, and the laws in those days reflected very largely the interests of the nobles. The commons gradually gained power, and we find changes taking place in the law. Gradually there was the extension of the franchise. In the old days the franchise was very much limited, limited to employers, to men of substance, men of a certain class. Later on the franchise was extended so that the employees, the poor people and finally all people obtained it. It was only within

comparatively recent years that labour had distinct representation in the House of Commons in Great Britain. Then certain more liberal or progressive laws were brought into force. Even the criminal code began to be altered not only because of the pressure of labour members in the House of Commons but because of enfranchised labour people throughout the country.

We in Canada have inherited to a very considerable extent the laws of Great Britain, many of them drawn up years and years ago, and our Canadian laws in many respects are those of Great Britain in the days before they had been modified, as they have been in England, under pressure of the growing labour forces. In Canada labour has had comparatively little political power, or, for that matter, economic power; otherwise we might have had more political power.

I would suggest that the laws on our statute books to-day are largely laws based upon an outgrown type of industry. In the old days there was the individual employer on one side and on the other the individual employee. As I illustrated the other evening, we sometimes still see the old arrangement in a simple shoemaker's shop—the employer on one side of the bench and the employee on the other side. Practically the two men are of equal bargaining power. But in the typical workshop to-day, behind the employer or the manager, stands a strong corporation, possibly a great group of corporations. What chance has the individual workman in bargaining with a corporation financed by millions? The situation is an impossible one. This condition made necessary the formation of trade unions. Originally, these were regarded as illegal in that they interfered with freedom of trade. To-day, however, trade unions are recognized; they are no longer illegal. But legislation has not gone so far as to make it possible for men to join trade unions without being discriminated against or dismissed.

Let me point out that to-day property is well protected, as it has always been. It is illegal for a man to break a piece of machinery, but there is no law against an employer dismissing a man or taking other action that might lead to the breaking up of a home. I hope the Minister of Justice can see the close parallel that prevails there. A man can be dismissed and his dismissal may mean that he is permanently out of a job. It may be that he has no other economic resources and that may easily involve the breaking up of his home. There is absolutely nothing to protect the workman in these cases. But let a man injure in the slightest way a piece of machinery and immediately he is haled before the courts. He is guilty. There is no equal protection. There is one law distinctly for the employer in the protection of his property and an altogether different law or no law when it comes to the protection of the worker in his job, which often is the only thing he has.

I urge that whoever controls a man's job under modern conditions controls his very life. I wonder whether those of us who work in this comfortable house, in these comfortable surroundings, for some months on end quite realize what it is to be out of a job and without the chance of getting another. Under modern conditions, the man who controls my job controls my very life, yet it would appear, according to our laws, that a man has no rights whatever to his job. He may be dismissed in the most arbitrary manner.

Mr. LAPOINTE (Quebec East): Would you make it criminal for your electors to take away your job?

Mr. WOODSWORTH: No; that is another matter. I would make it criminal for them to take it away by some of the means used to-day, that is, bribery and intimidation; and that is what I want to prevent in this case.

To get back to this bill, I would suggest that organized employers to-day, incorporated and so on, are many of them denying to employees the rights which they themselves claim. Employers come here for charters, receive incorporation which gives them great power which they often exercise arbitrarily and without regard to the welfare of the employees. They are well protected; all this bill is designed to accomplish is that the employees, the labour people, are also protected. It is a different type of protection they need, but it is protection just the same, and protection which ought to be given.

I would make my appeal for the passage of this measure really on two grounds: first, there is the inherent right of freedom, freedom of speech, freedom of the press and freedom of organization.

Mr. BENNETT: Of association.

Mr. WOODSWORTH: Of association, if you will. We who come of British stock and have been nurtured in British traditions have always thought that Britishers ought to enjoy that freedom, but in practice we are very far from enjoying it. It is not sufficient to have what is called political freedom, the right to vote. It is not sufficient to have the right to travel up and down the king's highway. In order to enjoy complete freedom a man must have economic freedom. There is no use in saying. "I have the right to travel on the

railroad," unless I have something in the way of money in my pocket to enable me to travel. That is the important thing, and it is dependent on a measure of economic independence. To-day, if a man is to have freedom of association with his fellow workmen, he has to have some sort of economic security. That economic security can be swept away by the ukase of his employers.

This bill relates to the refusal of employers to recognize a trade union, or the intimidation of workers. I recall a rather celebrated case in the west in which one of the judges made a very strong statement with regard to the dangers of intimidation. This statement is taken from the charge to the jury of Judge Metcalfe in the King v. R. B. Russell. The judge said:

> There is no right in this country under our laws so sacred as the right of personal liberty. No right of labour or capital, about which there has been so much declamation, is so sacred or so carefully guarded by the law of the land as is that of personal liberty. But personal liberty is not liberty of the body only. It is also liberty of the mind and will; and the liberty of a man's mind and will to say how he will bestow himself and his means, his talents and his industry. This is as much a subject of the law's protection as is that of his body. . . .
>
> Take it from me, in strikes you can incite terror without hitting a man over the head. You can incite terror of starvation; you can incite terror of thirst. Is that not quite as effective as inciting by bodily violence? Your stomach will bring you quicker than a crack on the head sometimes. . . .

In this instance I quite agree with what Judge Metcalfe said. He made this charge to the jury with the idea of pointing out how dangerous it was for strikers to practise intimidation, but surely the principle is the same, precisely the same in the case of the employer. If employers intimidate, threaten to dismiss a man, that intimidation, according to Judge Metcalfe, is just as much an invasion of his liberty as if the man were hit over the head. I am inclined to think that we have minimized altogether too much this aspect of the matter, and have allowed men in authority, such as employers, to threaten. As I said a few minutes ago, if an employee breaks a piece of machinery he is under the penalty of the law. An employer who dismisses or threatens to dismiss a man for no other reason than that he belongs to a trade union is guilty of intimidation, which ought not to be permitted. If the intimidation were on the other foot, as it were, it would be prevented by the law.

I come back to the explanatory note appended to the bill. I would ask hon. members to give consideration to this, because it seems to me eminently fair:

[Mr. Woodsworth.]

> The purpose of this bill is to prevent employers from refusing to employ, or from dismissing employees, or conspiring with others therefor, for the reason that they are members of a trade union.
>
> As it is lawful for workmen or employees to form themselves into trade unions and to bargain collectively, it should, as a matter of public policy, be unlawful for employers to seek by overt acts or intimidation, threats or conspiracy to prevent them from belonging to such trade unions.

I hope that in considering this bill hon. members will recall that we are not living under conditions which prevailed one hundred years ago; we are living under modern industrial conditions. We are not living in an age when labour was considered to have very few rights, as then labour had very little power either economically or politically. More than that, I would ask the members to consider that it is definitely in the public interest that we should not allow reactionaries in our midst to indulge in practices which almost inevitably lead to strife and bitterness and often to riots. Some blame the men who in desperation go on strike; blame rather the employers who refuse to recognize the unions which, for their protection and interests, the men are seeking to form.

Right Hon. ERNEST LAPOINTE (Minister of Justice): With part of the remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth) I am heartily in accord, and I am sure that all hon. members of the house are.

Mr. BENNETT: Hear, hear.

Mr. LAPOINTE (Quebec East): We are all in favour of unions, I am strongly in favour, we all are, of recognizing the right of labour people to organize into unions.

Some hon. MEMBERS: Hear, hear.

Mr. LAPOINTE (Quebec East): I have said so on different occasions. I have said more than that; I have said that, at this stage of the history of the world, for employers to deny that right is—

Mr. WOODSWORTH: Criminal.

Mr. LAPOINTE (Quebec East): —stupid. But my hon. friend wants to go further than that. He wants to make a crime of something which in pith and substance relates to contract and comes under property and civil rights, and under our constitution is within the jurisdiction of the provinces. My hon. friend shakes his head, but the provinces have almost all of them enacted legislation like that which he wants us to enact by means of the criminal code. More than that, my hon.

friend refers to the Trades and Labour Congress. I have in my hand a circular sent to all the provincial legislatures by the Trades and Labour Congress of Canada just last year, asking those legislatures which have not yet enacted some legislation to do it. This is what they said, when they sent to the legislatures a draft, almost similar to the bill presented by the hon. member.

(2) It is submitted that the provisions of the proposed bill fall within the exclusive—

I am not talking; it is the Trades and Labour Congress that is talking.

—legislative competence of the provincial legislatures. In support of this submission, it will be convenient to indicate briefly—

Then they give all the reasons for it. The provinces have acted in that field. There is the Alberta Freedom of Trade Union Association Act. I am pleased to refer to this statute of Alberta, assented to in 1937. It follows the lines of the draft bill proposed by the Trades and Labour Congress, and makes it unlawful for employers to dismiss employees because they are members of or want to remain members of a trade union. It makes the employers liable to a penalty fixed by the act.

The Nova Scotia Trade Union Act, 1937, declares it lawful for employees to form or to join a trade union, and makes it unlawful for employers to prevent them from doing so. In this instance a penalty is fixed by the statute. It is in their field of jurisdiction.

The Industrial Conciliation and Arbitration Act of British Columbia, 1937, recognizes the right of employers and employees to organize for any lawful purposes. There again they make it unlawful to prevent employees from joining a trade union or association, and a penalty is fixed.

The Strikes and Lockouts Prevention Act, 1937, of Manitoba is again, I am sure, the result of the work of the Trades and Labour Congress of Canada, which has asked those legislatures to act in that way. Manitoba has acted.

Even the province of Quebec has acted, through the Fair Wage Act, 1937, of Quebec. There again we find a penalty for those who try to restrict the freedom of the working man.

In Saskatchewan there is a bill respecting the right of employees to organize. That bill received its first reading on January 28, 1938, and it is still before the legislature. Following the decisions of the court in relation to the power of the dominion to enact insurance legislation, it was sought to effect the same result by inserting a section in the criminal code, as the hon. member wants to do in this instance, by which it was to be made an indictable offence for any person to solicit or accept any insurance risk, except on behalf of a company or association licensed under the Insurance Act of 1917. That was challenged before the courts by the reciprocal insurers. I shall read to the hon. member the words of Mr. Justice Duff, who sat as a member of the board in the hearing of that case.

Mr. BENNETT: It is somewhat cut down since that.

Mr. LAPOINTE (Quebec East): Yes possibly, but I am reading it.

. . . their lordships think it is no longer open to dispute that the parliament of Canada cannot, by purporting to create penal sanctions under section 91, head 27, appropriate to itself exclusively a field of jurisdiction in which, apart from such a procedure, it could exert no legal authority, and that if, when examined as a whole, legislation in form criminal is found, in aspects and for purposes exclusively within the provincial sphere, to deal with matters committed to the provinces, it cannot be upheld as valid.

In the recent reference to the privy council with respect to section 498A of the criminal code, their lordships said:

The only limitation on the plenary power of the dominion to determine what shall or shall not be criminal is the condition that parliament shall not, in the guise of enacting criminal legislation in truth and in substance, encroach on any of the classes of subjects enumerated in section 92. It is no objection that it does in fact affect them. In a genuine attempt to amend the criminal law it may obviously affect previous existing civil rights.

And further:

In the present case there seems to be no reason for supposing that the dominion are using the criminal law as a pretence or pretext or that the legislation is in pith and substance in any way interfering with civil rights in the province.

They declare the section valid. A similar view in every respect has been expressed by the privy council in other cases. For instance, we have only to refer to the Proprietary Articles Trade Association v. The Attorney General of Canada, reported at 1931 appeal cases, page 324.

In the present bill I think it is obvious from the section, together with the explanatory note, that the proposed legislation is in the guise of criminal legislation for the purpose, in truth and substance, of encroaching upon property and civil rights. The hon. member says there is a law for the employees and another for the employers. That is not so. There is nothing which prevents employees from refusing to work for any man, company or corporation. It is their freedom.

Mr. CAHAN: Hear, hear.

Mr. LAPOINTE (Quebec East): There would be a different law if the other party would commit a crime by refusing to employ.

Mr. WOODSWORTH: The alternative is starvation.

Mr. LAPOINTE (Quebec East): Yes; but that is why the provinces have intervened and have enacted legislation, which they have a right to enact, but which we cannot do, just by attempting to use the criminal code for that purpose.

I have every sympathy for labour people who join in trade unions. I think no employer should try to prevent them from doing so. But to make it a crime under the criminal code, on a question of contract—because it is a question of contract—is not proper. I cannot follow my hon. friend when he asks me to make it a crime to hire or engage labour to work. I do not think I have the right to do that.

Mr. DUNNING: Nine o'clock.

Mr. WOODSWORTH: Conspiracy in restraint of trade originally applied to trade unions. Then exemptions were made for trade unions. Does not this suggest that such matters were within the scope of criminal law.

Mr. LAPOINTE (Quebec East): The hon. member has said there were exceptions made for trade unions.

Mr. WOODSWORTH: Not originally.

Mr. LAPOINTE (Quebec East): No; it was conspiracy to do something which was a disturbance of peace and order. Surely, if the hon. member reads that section of the criminal code, he will find that it was to prevent a disturbance of order, and there was an exception made for trade unions which exercised the right of picketing in an orderly way.

Mr. WOODSWORTH: Not at first.

Mr. LAPOINTE (Quebec East): It was done to protect labour against prosecution. Surely it was not in any way to do something against labour.

Mr. DUNNING: It is nine o'clock.

Mr. LAPOINTE (Quebec East): Yes, it is nine o'clock.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

POST OFFICE DEPARTMENT

Departmental administration, including amount required to pay allowances to typists, grade 1, employed cutting stencils, in accordance with regulations approved by order in council, $553,020.

Mr. STIRLING: In this vote there is a reduction of approximately $38,000, but offset against that or perhaps in explanation is a decrease of $80,000 in the cost of mail bags.

Hon. W. D. EULER (Acting Postmaster General): There is a reduction of $80,000 in connection with mail bags, and the net decrease on the total vote is $37,928.

Mr. STIRLING: Did the mail bags not wear out last year?

Mr. EULER: There was a larger supply than usual on hand.

Mr. PELLETIER: There is an item of $17,450 for travelling expenses. Is that the total amount for the department, or does that cover only the expenses of certain officers?

Mr. EULER: There are six other votes for travelling expenses.

Mr. PELLETIER: What is this one for?

Mr. EULER: These are headquarters' expenses. One item is to cover the cost of representation at the Postal Union Congress in Buenos Aires in March, 1939. The additional allowance for this item is $6,700.

Mr. PELLETIER: Who were the representatives at that conference?

Mr. EULER: It is to be held in March, 1939, before the end of the fiscal year.

Mr. HEAPS: When we were discussing estimates the other evening we had the other acting Postmaster General (Mr. Power) with us. We were then dealing with the possibility of having a proper balance sheet submitted to the committee so that we would be able to get a better idea of the actual workings of the Post Office Department from a financial standpoint. Mention was made of the fact that when a similar item was before the committee two years ago, we were promised by the Postmaster General (Mr. Elliott), who unfortunately is absent to-night, that something would be done in the way of submitting a more complete statement so that members would have a proper idea of the financial results of the year's operation of the depart-

ment. That is hardly possible with the estimates as they are now submitted.

Two years have elapsed and not as much progress has been made in that direction as I anticipated would have been made. I think that in two years the departmental officials should have been able to submit a complete financial statement to the committee. The Post Office Department is a public utility and it should stand entirely on its own feet. I should like to be able to get hold of a statement of the Post Office Department just the same as I am able to get a statement of other financial institutions. I want to see a profit and loss account. It may be difficult at first to prepare a statement of this kind, but I had hopes that by this time it would have been available. Could the acting minister give us some idea of what progress has been made along these lines?

Mr. EULER: I do not know what commitments were made by the Postmaster General in connection with the matter raised by the hon. member for Winnipeg North. However, I would say to him that the estimates are prepared in the form in which the treasury board says they shall be presented. So long as no change is made, the estimates of the Post Office Department or of any other department will be presented in the way which is ordered. I am inclined to agree with what my hon. friend says about every department standing on its own feet. I think he is quite right when he says that there are certain charges which might be made against the department and which might affect the surplus. I believe he mentioned the matter of interest on buildings occupied as post offices and matters of that sort.

Mr. HEAPS: The question is more involved than that. I would point out that a charge is made by the Department of Public Works to the Post Office Department for the use of buildings. The question of interest on buildings would hardly be a factor in the estimates of the department.

Mr. EULER: I thought my hon. friend had suggested that a rental should be paid to the Department of Public Works for the buildings occupied by the Post Office Department, but apparently that was not in his mind. I should think that would be a perfectly fair charge from a strictly business standpoint. As hon. members know, the estimates of the Department of Trade and Commerce contain certain subsidies to cover the cost of the transportation of mails. I have suggested to my colleague that he should pay over to the Department of Trade and Commerce the cost of this mail transportation, but that has never been done. On the other hand, the Post Office Department claim that they should be allowed something for the franking privilege exercised by the different departments and by the members of the House of Commons and the Senate. I think that is a reasonable reply to make. In order to give the committee some idea of what is represented by that franking privilege, I may say that it represents a possible credit of $1,122,676. There is also another possible credit for the operation of the savings bank amounting to $80,000. If those two amounts were credited, and a number of the charges such as those to which my hon. friend has referred to were made, the surplus would come down to $40,298.

Mr. HEAPS: This matter was not discussed at any great length, but it was claimed that if those charges were made there might be a deficit in the annual operations of the Post Office Department. There might be other charges made against that department which really should not be made. For example, the stamps used on cheques must amount to an enormous sum each year, and there are other charges which, at the moment, I cannot recall. I would say that all these should appear in proper form, and I do not see why this cannot be done. For the minister merely to say that the treasury board wish the statement to appear the way it does is not a proper answer to the question which has been submitted. Is there any reason why, when accounts are submitted showing the revenue for the year, they should not show on the opposite side the expenditures for the same year? That would give us something approximating a financial statement.

I know I can get some of the expenditures for myself by going through the auditor general's report, but I do not think we should have to look through that voluminous report before we can get anything approaching a correct statement of the department's affairs. I would prefer—and I still press the point—that the Post Office Department should, so far as it possibly can, give us next year a proper statement showing its income and its expenditures. If it is providing, as the minister says, free services to other departments or to members of the house, those services should be charged up somewhere, or at all events credit should be given to the department for the service it renders. The amount of $1,000,000 odd seems to me fairly high, although it may be approximately correct. I would still like to know if there is any reason why we cannot have submitted to the house and the country a correct state-

ment showing exactly what the position of the Post Office Department is at the end of the year's operations.

Mr. TAYLOR (Nanaimo): I am quite disposed to agree to a certain extent with the last member who spoke (Mr. Heaps); but suppose he got all he wanted, I am still afraid we should not get a proper presentation of the department's affairs. The Post Office Department has so many invisible revenues, invisible in their relationship to the country generally, and so many invisible commitments, that from my point of view, from an auditing and accounting point of view, I cannot for the life of me see how the hon. member would be very much benefited by getting all he asks for. Rentals, for example, could never be reduced to something utilitarian in a business statement. A federal building in any city is not merely a post office; it is a federal building; it is a part of the national assets, and is built in a manner to represent Canada. Its use for post office purposes could never be percentaged off in such a manner as to show the financial standing of the Post Office Department. So it seems to me that more considerations and more details should be advanced by the hon. member for Winnipeg North before we can arrive at what he really requires.

Mr. EULER: While in theory the suggestion is quite all right, I do not think it would be possible to make an accurate estimate each year of what the Post Office Department should pay for the rental of a certain public building, for example, in my own city, or in Winnipeg or any other city. I question, further, whether it would be worth while to go to all that trouble because, after all, it is simply taking money from one pocket and putting it into another.

There is one item on which one could not approach accuracy at all, and that is postage stamps used for excise purposes. If we knew the amount involved in postage stamps used for excise purposes upon cheques, that amount ought to be credited to the Department of National Revenue and charged against the Post Office Department, but there is no means of telling. Yet it is a great convenience to people, especially in the outlying districts, to be able to use postage stamps instead of the regular excise stamps.

Mr. HEAPS: I still think it would be quite easy to prepare a proper balance sheet for submission to the house. I do not expect that any public utility such as the post office, with all the demands that members make on the Postmaster General, should submit its accounts in exact detail. I know that at times the Post Office Department and the Department of Public Works are pestered by members of the house for postal buildings and other federal buildings, and indeed sometimes buildings are thrown at the post office which they do not want. I have known instances of that kind to happen. I know a place not very far from my own constituency where a building was put up, and I did not know what it was for, until I was finally told it was to be a post office. When it was finished the Post Office Department did not want the building. It did not pay them to open the building for a post office. That is something which should not happen in any well conducted utility. I think the Post Office Department should be responsible for all the post offices they require, and the buildings should not be erected by the Department of Public Works unless requested by the Post Office Department. I do not think any member should be permitted to tell the Department of Public Works that he wants a post office in his own particular riding, as a sort of perpetual monument to himself. But post offices are put up all over the country from which very little revenue is derived, where it does not pay to operate them, and in instances such as I have given, where the post office is bound to be operated at a loss. Does the minister himself, who I know is anxious to conduct his department in a businesslike way, not think that when a postal building is required, the only persons who should have a say in the matter are the Postmaster General and the officials of his department, and not any other department of the government?

Mr. EULER: I am not, as my hon. friend realizes, very familiar with the Post Office Department; but I think it is the practice that a post office building is not erected until after the Post Office Department asks for it, and it should not ask for it unless there is a real necessity for it. There also comes into the picture the fact that in the larger centres these public buildings are used not only for a post office but for other government purposes, customs, income tax and so on. But as the Acting Postmaster General I shall be very glad indeed to bring the representations made by the hon. gentleman to the attention of the Postmaster General himself.

Mr. HEAPS: Can the minister, who I know is opposed to patronage in the public service, tell me that patronage is pretty well eliminated from the postal service in this country?

Mr. EULER: Oh, I am quite sure of it.

Mr. HANSON: Does the minister not think it is necessary, in order to provide postal facilities, to establish a post office sometimes in a place where it is not remunerative?

Mr. SPENCE: Louder.

Mr. HANSON: Does the minister not think that the government is justified in providing postal services in places where it might not be immediately remunerative? In a pioneer country like Canada one cannot expect to get a profit on the operations of the post office for the first few years in an outlying district which is only sparsely settled, but in a few years that post office, instead of serving half a dozen or a dozen families may be accommodating quite a settlement. In a country like Canada we are entitled, I think, to get such facilities from the government.

Mr. HEAPS: The question of postal facilities is one entirely apart from the erection of huge buildings where they are not required. There is no hon. member in this chamber who does or will object to the provision of adequate postal facilities in every part of Canada.

Mr. HANSON: Speak up. The hon. member said that to me.

Mr. HEAPS: I heard the hon. member quite well; I never asked him to speak louder. Probably some of my neighbours did, but he must not accuse me of their sins; I have enough of my own to carry. I repeat that I have never objected to adequate postal facilities for any part of the country. What I have tried to do, and with no great amount of success in previous years, is to ensure that when buildings are to be erected for the use of the Post Office Department, that department is responsible for the requests which come in, and that there shall be, in the places where it is proposed to erect new buildings sufficient business, I shall not say to pay for their construction and upkeep, but to warrant their construction. In many places buildings are erected solely for postal purposes. In some cases, as is shown by the figures submitted to this chamber in past years, the revenue has been hardly more than sufficient to pay for the help. That is not running the postal business in a business-like way. I venture to assert that of the two millions and several hundred thousand dollars which are charged against the Post Office Department for the use of buildings, an enormous amount could be saved if the officials of the department had the sole right to decide as to the erection of the buildings and could put them up as any business concern should do. The amount charged against the department is, I think, $2,600,000.

Mr. EULER: Two and three-quarter million dollars.

Mr. HEAPS: The Post Office Department should have the say as to what kind of buildings should be erected and where they should be located. But that has not been the situation in the past. I am not blaming solely the present government for what is happening; the same kind of thing has gone on right down through the years. One department erects the buildings and then asks another department to use them. I am aware that in some respects the Department of Public Works, with its special facilities, may be in a better position to call for contracts, but I do not agree that it is better able to decide where post office buildings should go. Personally I have never asked any of the ministers for the erection of any buildings, and I do not intend to do so; I am quite satisfied to leave these matters in the hands of the Post Office Department and its expert staff. When I find that they are not doing things in the right way, then will be the time for me to complain.

In my opinion hon. members themselves are as much to blame as anyone else for existing conditions. We hear them one day crying for economy, and the next day they are rushing around the various departments asking for huge expenditures. I want to see the Post Office Department conducted as any efficient business should be. I do not think the habit of some members of seeking concessions for their own particular constituencies is at all a desirable form of activity, nor do I approve one department erecting buildings without the consent or knowledge of the other department concerned; under such circumstances we cannot expect business to be efficiently conducted.

The running of post offices as a separate utility should be concentrated in the Post Office Department. That is not asking too much. I remember an instance in my own constituency where, when one government went out and another party came into power, they changed some postmasters in the small post offices in the district. I was very much opposed to this proceeding. They put in charge of one office a man with a criminal record, to handle his majesty's mails, and although I protested as vigorously as I could to the then Postmaster General I could obtain no satisfaction. People were afraid to go to that office with registered mail; but all that was done was that the office was transferred

from the father to the daughter, so that they would be able to say, "It is not in the same hands now." Is that an efficient way of running a postal service which has so many ramifications so far as the public are concerned? The member for the constituency, who went to the Postmaster General several times to protest against the appointment, could do nothing, but the local patronage committee could successfully insist upon that particular individual retaining his position. It is of such matters that I complain; yet somehow or another we seem to go on in the same rut, unable to make any progress, and when it is suggested that we should run the Post Office Department as any competent business concern would do we are told, "Well, the treasury department have control, and they instruct the department how to make out the accounts." Yet to-day the accounts are not in much better position than they were two years ago.

Mr. DUPUIS: Although I tried as best I could to follow the trend of thought of the hon. member for Winnipeg North, I find myself unable to appreciate the logic of his remarks. The hon. member is very severe on the government. Of course he does not mean Liberal or Conservative, but he claims that the Canadian government as constituted is administering the country in the wrong way.

An hon. MEMBER: The post office.

Mr. DUPUIS: Especially the post office. But if we apply the same logic to other departments, what do we find with reference to the Department of the Secretary of State? If I am not mistaken, this parliament building is under the jurisdiction of the Secretary of State; and if the reasoning of my hon. friend is sound, he should be rendered an account for his seat in the house and pay rent for it and for his private office in this building, the account being rendered in the name of the riding of Winnipeg North. How can a government divide administration department by department? All the public buildings in Ottawa are in the same situation. Take, for instance, the confederation building, where space is occupied by several departments. I do not believe we shall get very far ahead with that sort of discussion; it is more academic than practical. What astonishes me most is to hear such remarks coming from a member who is committed to the doctrines of socialism. Socialism means, not the kind of centralization he seems to want, but a policy where everything is governed and controlled on behalf of the common cause, where everything is together. I suppose that if his party took control of this country, everything would be governed by the same head. They would not act as my hon. friend tries to induce the minister to do. Everything would be combined for the common good, irrespective of the department which might administer the post office. I submit it is impossible for a government to handle administration in the way he suggests.

Mr. BETTS: I notice under this vote very substantial increases in the staff of the department. For instance, this year there are three chief clerks as compared with two last year; twenty clerks grade 2, last year nineteen; six clerks grade 1, last year two; eight stenographers grade 3, last year six; twenty stenographers grade 2, last year seventeen; two stenographers grade 1, last year none; seven typists grade 1, last year three; six packers and helpers, last year five. There is a total of 150 this year as compared with 132 last year. Will the minister tell the committee, either in the medium of pounds of mail or letters carried or by some standard that we can understand, what accounts for the increase in staff?

Mr. EULER: The reason for the increase in staff is chiefly this, that whereas temporaries ordinarily are not counted in the list of civil service employees, when the restrictions on permanent appointments were removed by order in council a great many temporaries were made permanent, with the result that this list has been increased.

Mr. BETTS: Nevertheless the vote for temporary assistance is the same as last year's, $25,000.

Mr. EULER: The reason for the increase in the number is that many temporaries were appointed as permanents, and the other temporaries, to whom the hon. gentlemen refers, are for purposes of emergency and so on during the coming year.

Mr. BENNETT: But there is a total increase of eighteen.

Mr. EULER: I suppose one could justify increases on the ground that the business of the post office is increasing. Times have been a bit better, and that is reflected in post office activities the same as in any other business.

Mr. BETTS: I hope that is the case; but would it not be reasonable for an acute business man like the acting Postmaster General to tell us to what extent the business has increased to justify eighteen additional helpers.

Mr. EULER: The business has increased $1,300,000.

Mr. BENNETT: That was not at head office.

Mr. EULER: It is not only head office that constitutes the Post Office Department.

Mr. BENNETT: But it is only the departmental administration item that we are dealing with.

Mr. EULER: Of course, if business has increased throughout the country, it will result in an increase in business at head office.

Mr. BETTS: Can the minister tell us the increase in terms of pounds of mail carried?

Mr. EULER: No, I have not that information.

Mr. BETTS: Can it be dug up for the information of the committee?

Mr. EULER: I am told that it can be obtained for the air mail routes and the rural routes fairly quickly, and perhaps for the rest of it, but that would take some time.

Mr. HANSON: When hon. gentlemen base their criticism of the Post Office Department on the results shown by some other post office establishments, they must realize that Canada is a young country which is trying to develop its resources, and that it is still in the pioneering stage. To criticize the Post Office Department for not making money is wrong. Having lived in a pioneering country myself, I realize that the people are trying to establish themselves, and they need all the facilities which can be placed at their disposal in order that they may be able to get in touch with the outside world. The only agency through which they can do this is the Post Office Department. They are asking for post offices and for postal facilities to enable them to get in touch with the outside world, and I suggest that Canada is a bit too young to be classed with some of the European countries so far as the postal service is concerned. It is unreasonable to expect the department here to show a profit.

I congratulate the Post Office Department upon the efforts it is making to help this Canadian nation to develop its resources, and even if the department shows a loss at the present time it should still be encouraged in the work it is doing, because I believe that eventually there will be a revenue from it. I am not able to say exactly what should be done; but I am sure the department is doing everything in its power to assist pioneers in Canada, and I have no doubt that eventually the department will be in the same category as the post office departments in some of the older and more developed countries and will show a profit. It is to the credit of the Canadian government that it is doing what it can to help the pioneers in this way and I support it.

Mr. SPENCE: I regret very much that the Postmaster General is not here. I am sorry to hear that he is sick; I was not aware of the fact until to-day. There is not much satisfaction in criticizing the acting Postmaster General, because he has just taken the job in hand. A couple of years ago when the estimates came down they did not appear to be in good shape and there was more or less criticism, from myself and others, about the administration. I accused it then of being antiquated, and I did not blame the Postmaster General any more than I blame any other Postmaster General, because no matter who originated it, it is antiquated. Last year the method of presentation of the estimates had been improved considerably and the Postmaster General promised that this year he would try to make it perfect. I think it has slipped back into the same old rut. We have heard only about the total revenue taken in, and no wonder, because they have no accounting system. Now they come to the conclusion that they have $3,037,000 of a surplus. Goodness knows where they got it! They will never know how much the post office makes or how many millions it loses until there is a proper check-up on the services rendered by the Public Works department.

I have made a close study of what happens in Toronto. When we were in power I took particular notice. Hundreds of dollars worth of material and time are spent in the different post offices tearing down walls and building them at the instigation of the postmaster in that or other cities. For instance, the old post office on Adelaide street in Toronto was all changed about inside four or five times during our term of office. None of that was charged up to the Post Office Department. When they moved the administration to the present quarters the postmaster—he is not called postmaster now but has some high-falutin title—had the walls pulled down in the building at the corner of Yonge and Front streets and other walls put in, and so on; many thousands of dollars were—I would not say wasted, but used there in making the place to suit him. That was done under this government; but I am not criticizing any government in particular, the whole system is so absolutely—I would not like to say what I was going to say—antiquated.

Mr. EULER: That is a much longer word than the one the hon. member was going to use.

Mr. SPENCE: I made this suggestion to the Minister of Public Works in the former government, and I suggest again that a proper accounting system should be established in the Department of Public Works to keep track

of the money they spend all over Canada in connection with the post office. At the present time they have a staff making racks for mail bags for sorting purposes. They are delivered to all parts of Canada, and the Public Works department pays those men, men who earn at the rate of eighty-five cents to one dollar an hour. The Public Works department have a staff working all the time for the post office. If the figures were gone into, it would be found that instead of a surplus of $3,000,000, you would have a loss.

In regard to the amount of money the Post Office Department gets for carrying newspapers and magazines, particularly from the United States, all over Canada, perhaps that should not be discussed under this item, but we are losing a large sum on that, because we carry them at less than they can be carried by express or by the railways. We are carrying them to-day from Halifax to Vancouver at one-third of the rate at which they are carried from New York to San Francisco. Why should we carry United States magazines in this country at such a low rate?

Mr. BENNETT: They have a zone system.

Mr. SPENCE: I say there should be a proper accounting system. A special committee should be appointed to examine the Post Office Department and straighten it out. I do not mean a select committee of the house, but there should be from the government service itself, someone who knows something about setting up an organization to curtail expenses, some actuary or accountant, at no large cost. Anyone who is accustomed to doing business in the usual way and can take off a statement at the end of each month could look after this without bringing an expensive set-up from the United States. I do not believe in that at all, we have men in this country just as capable of setting up the proper bookkeeping system for the Public Works department as anyone. I blame the Public Works department just as much as I do the post office. I am sorry the Postmaster General is not here to-night; I should like to say a few kind words to him; but I am not going to abuse him in his absence, and to abuse the acting Postmaster General would be unfair. Something, however, must be done or you will be in a terrible position in a few years; it is getting worse. Instead of a surplus this year, I am sure there is a deficit.

Mr. HANSON: The outlying districts of Canada, where the development of the future is to take place, have not had the consideration they deserve. The post office is for the most part the only means of communication those districts have. Montreal, Toronto and other large cities have every facility, but the outlying districts have been neglected. It is only in the last six or seven years that they have had any consideration. I am not saying that is true of this government alone; it is true of the former government as well. I would ask the Postmaster General to give more consideration to developing these pioneer districts which in time will be an asset to the Canadian nation if they are given some encouragement.

Mr. BETTS: What is the basis on which the railways are paid for carrying mail?

Mr. EULER: Perhaps my hon. friend would wait until we come to the item which relates to that.

Mr. BENNETT: Yes, that is item No. 260.

What are those words that appear in the item, "allowances to typists, grade 1, cutting stencils." Why are they necessary?

Mr. EULER: I am informed that there are certain duties performed by some of the girls employed which are particularly onerous, trying and fatiguing, so small bonuses are allowed to those employees. I could give the particulars.

Mr. BENNETT: No, it is not that, but are they not taken care of in the item itself?

Mr. EULER: No, this is for extra pay, for bonuses.

Mr. BENNETT: In addition to that mentioned in the details?

Mr. EULER: In addition to their salaries. I am not sure that it is a very good system, but that is the reason for it.

Mr. BENNETT: Does that mean that an order in council is passed in respect to each, or is it covered by a general order?

Mr. EULER: Covered by a general order. The amount involved I think is only some $370.

Mr. BENNETT: Now will the minister be good enough to turn to page 165 of the estimates and give some explanation of the item of mail bags? Last year they bought $245,000 worth. Were tenders called for? Who was the successful tenderer, and for how many did the contract provide?

Mr. EULER: The department buys the duck by tender in the open market, and the bags are made in the penitentiaries.

Mr. BENNETT: I wanted to be sure about that. Why is it that the amount is $80,000 less this year than last?

Mr. EULER: I think I explained that there was an unusually large stock on hand, so it was not thought necessary to buy so many this year.

Mr. BENNETT: Is the stock on hand now about the average or less than the average?

Mr. EULER: I am told that there is usually a margin or reserve supply kept on hand, and this year apparently they did not need so many. I would judge that there may have been more bought last year than were found to be necessary; at any rate they think they have a sufficient supply, so there is no need for spending this $80,000.

Mr. BENNETT: That is a lot of money. I was going to ask the minister whether the government has under consideration the question of returning to the penny rate of postage. That, of course, is a matter of policy, but this is a good place to discover what the policy may be. It is not often we have a chance.

Mr. EULER: It occurs to me we have had all the arguments in the world to-night from the hon. member for Winnipeg North and other hon. members who are trying to show that there is a deficit in the department. I would hardly think that under those circumstances, if that be true—and perhaps it is—that would be the time for a reduction in postal rates and an increase in deficits. As my right hon. friend says, it is a matter of policy—and I am not able to make a pronouncement upon it.

Mr. BENNETT: I think the minister will agree that it is a desperate thing that we should have such sudden changes in the acting Postmaster General; for he said a minute ago that the hon. member for Winnipeg North had been suggesting that there is a deficit and then added "perhaps he is right." If that is right, the Postmaster General was very wrong in what he was saying to us the evening he happened to be handling the estimates. I do not like to see such a conflict between the acting Postmaster General and the Postmaster General with respect to so critical a matter. One talked about a surplus of about $3,000,000, and now the acting minister says that it may be that the hon. member for Winnipeg North is right in suggesting that there was a deficit.

Mr. LAPOINTE (Quebec East): But the other one was an acting minister, too.

Mr. BENNETT: We had the real one at first.

Mr. HEAPS: I said there might be one, if there was a proper accounting of post office accounts. I can well understand the enthusiasm of the hon. member for Skeena in connection with these estimates, because, upon looking through the accounts, I find an item of $170,000 for a public building at Prince Rupert. I can see that there is good reason why he should express delight.

May I state one reason for taking this stand in connection with the estimates. I have always contended that the post office is in a different category from other government departments. A post office building is in a category different from buildings such as these parliament buildings, for instance. The Post Office Department is a utility, receiving revenues for services rendered.

Mr. DUPUIS: Does the hon. member mean that the House of Commons is not a utility?

Mr. HEAPS: Sometimes; but sometimes it is otherwise. I say that if we are not a utility, at least we are not a department which charges anything for services rendered, as is the case with respect to the Post Office Department. For instance, the hydro enterprise in Ontario provides a statement at the end of the year with respect to profits made or losses suffered. I do not wish to say anything further, except to add the hope that when another year comes around and the Post Office estimates are submitted to the house, they may be placed before us in such a manner that we may have some idea of the result of the year's operation of that utility.

Mr. BETTS: Last year the vote for travelling expenses was $10,750; this year it is $17,450. Would the minister tell us what those expenses include and why this fairly substantial increase of more than $6,000 is made?

Mr. BENNETT: Air travel is six cents a mile.

Mr. EULER: I gave that information some time ago. However, I may state again that the additional amount of $6,700 is required for representation at the Postal Union Congress to be held at Buenos Aires in March, 1939.

Mr. BENNETT: A trip to Buenos Aires? I hope it has better results than some trips I know of.

Mr. BROOKS: I notice an item for Magdalen islands news service, the same amount as last year. What constitutes that service?

Mr. EULER: Does the hon. member want the cost of it?

Mr. BROOKS: No; what is the service?

Mr. EULER: A daily letter of approximately five hundred words of news of special interest to Canadians, prepared at Ottawa and transmitted by mail to North Sydney, and by wireless telegraph to Grindstone. The cost is one-half cent per word. The Grindstone operator gives a copy of the daily letter to the superintendent of government telephones, who telephones it to telephone centrals at a stated hour each day. Residents may telephone or call in person and receive the news. A weekly air mail service between Charlottetown and the Magdalen islands is maintained during the closed season of navigation. This is paid out of the vote for mail service by air.

In addition to the service by the Post Office Department, the news contained in the daily letter is broadcast over wireless telephone service between Grindstone and the lighthouse at Bird Rock. Residents with radios may pick up the messages. The service is given by the marine department without cost to the Post Office Department. There is also daily radio news broadcast in French from the New Carlisle, Quebec, radio station, supplied by the Canadian Broadcasting Corporation. The winter season, or the period of closed navigation, begins at the latter part of December and ends about April, varying according to weather conditions. I can give the expenditures and votes for the last five years, if hon. members wish to have them.

Mr. BETTS: No.

Mr. EULER: Last year, 1937-38, the vote was $600, and the estimated expenditure was the same amount.

Mr. BETTS: Could not this service be given by the Canadian Broadcasting Corporation? The corporation broadcasts news every day, and it seems to me the people of the Magdalen islands could avail themselves of that service, as well as a service of this kind.

Mr. EULER: I believe the broadcasting corporation does give a service there.

Mr. BETTS: Then this would be a duplication.

Mr. EULER: This is in French.

Mr. BENNETT: Does the item covering equipment and maintenance refer only to equipment and maintenance at head office? What about the cancellation of stamp machines, rural mail boxes and locks? Are they included in this or some other item?

Mr. EULER: I am informed that that does not come under this item.

[Mr. Brooks.]

Mr. BENNETT: I see an item for mail bags; that is why I asked the question.

Mr. ISNOR: I do not know whether it would be possible to make up a statement such as is suggested by the hon. member for Winnipeg North, but I believe that if at all possible we should have a clearer financial statement regarding the affairs of the Post Office Department. That statement should show the revenues and expenditures from year to year, the difference between the net revenue and the net expenditure giving the surplus or deficit, as the case may be. It is interesting to note that while there is an increase of only $438,474 in expenditures, the revenue is increased $1,766,664. From a business standpoint one would say that the Post Office Department is being run in a satisfactory manner.

But do these figures tell the real, true story? Are all the items charged up to expenditures that should be charged? I am fearful that if all the expenditures were charged that should be charged we would have a deficit instead of a large surplus.

I would suggest that it is feasible to charge rental of the various post offices to the department. That point has been questioned by certain hon. members. It is done in every commercial line. The various departments in large department stores are charged up with overhead, and made to stand on their own feet. I believe the same principle applies to the Post Office Department. It is a revenue producer, and there are certain expenditures chargeable directly against the operations of that department. For that reason I believe the Postmaster General would be well advised to consider the feasibility of bringing in a fairer financial statement, as he promised to do last year, showing the actual revenues and disbursements, so that we could arrive at a conclusion as to whether or not the Post Office Department is carrying itself. I do not think the people of Canada are greatly concerned about whether or not there is a surplus; what they want is service. For these reasons I think the Post Office Department should show the picture as it really is. On page 9 of the report of the Postmaster General a revenue of $41,181,566.35 is shown, but on page 10 the net revenue is shown at $34,274,552, a difference of about $7,000,000. In one case the expenditures or disbursements are shown and in the other, the revenue is shown and then deductions are made to bring it down from forty-one millions to thirty-four millions.

Mr. EULER: I do not quite understand my hon. friend's question.

Mr. ISNOR: On page 10 a revenue of $34,274,552 is shown and on page 9 a gross revenue of $41,181,566.35 is shown. Then you make certain deductions. Why do you not show the six million and some odd dollars as expenditures?

Mr. EULER: I am informed that the revenue shown on page 10 is that from the outside offices, whereas that shown on page 9 is the total revenue of the department.

Mr. ISNOR: What appears on page 10 is not correct in so far as the total revenue is concerned?

Mr. EULER: That applies only to the outside service.

Mr. ISNOR: Then I agree with the hon. member for Winnipeg North when he says that it does not reflect the true condition of the revenue of our Post Office Department. I think that should be set out more clearly.

Mr. BETTS: I want to say "amen" to the remarks of the hon. member for Halifax as to the desirability of having a more accurate picture. A few moments ago the minister said it would be a matter of great difficulty to tell how much more mail had been carried this year than last year. I cannot understand that as it seems to me inevitable that the contracts with the railways would be made on a tonnage or poundage basis. Surely it would be a simple matter for the minister, with his two capable assistants, to tell the committee at once what has been the increase in the weights.

Mr. EULER: I can assure my hon. friend it is not so easy as he seems to think. I am informed by the officials that it is not possible to give that information so readily, and I shall have to ask him to accept my word for that. It is not possible to give it completely without a great deal of work. I do not think that is an unreasonable reply to make.

Mr. BETTS: If that is the case, then I think it adds a great deal of weight to what the hon. member for Halifax and other hon. members have said with regard to the accounting system of this department needing revamping.

Mr. EULER: If one wishes to make comparisons, the really important thing is the amount of money involved, not the weight of the mail carried. I think that is a relatively small matter.

Mr. BETTS: If the minister were running this business as his own, I think he would want to know how much money was spent, what he was paying for carrying this mail and how much mail was carried. He would not be satisfied with just a gross amount.

Mr. EULER: The information can be given, but not to-night. If my hon. friend insists on having that information, we shall try to dig it up for him and let him have it later on.

Mr. BETTS: It is not a matter of my wanting it; it is a question of its being information that the country should have. I am not asking for it to-night, but I still contend that if there was a proper system of accounting in the department it would be a matter of no difficulty to get this information.

Mr. LENNARD: Does the Post Office Department make the actual sale of government annuities?

Mr. EULER: I am informed that the Post Office Department sells them for the Department of Labour.

Mr. LENNARD: But does the Post Office Department make the actual sale?

Mr. EULER: In some post offices the deposits for annuities are received, while in other post offices the Department of Labour has its own agents.

Mr. LENNARD: This matter has come in for considerable criticism because it is felt that the postmaster, who may be doing the advertising and spade work and in many cases the selling of the idea to the people who take out these annuities, should make the actual sale and receive any commission or benefit which accrues from the sale.

Mr. EULER: Perhaps that would be a matter for the consideration of the Department of Labour.

Mr. LENNARD: I brought it up so that it would receive consideration.

Mr. BETTS: How many people are going to Buenos Aires to attend this conference, and who are they?

Mr. EULER: That has not been decided as yet.

Item agreed to.

Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices, $14,624,470.

Mr. GREEN: Does the department still deliver mail on Saturday afternoons and holidays? This service was inaugurated in December, 1936, and many complaints have been made about it.

Mr. EULER: That service is still being given. Are the complaints about the fact that we have the service, or about the nature of the service?

Mr. GREEN: The complaints I have had are about the fact that the men are being forced to work on Saturday afternoons and holidays such as Dominion Day, Good Friday and Labour Day. The government is setting a poor example to other employers of labour. Why is it necessary to give a service of this type?

Mr. EULER: The government felt that it would be a great convenience to the citizens of this country to have that service on holidays and Saturday afternoons, and that is why it was done. That is the only answer I can give.

Mr. GREEN: Letters are delivered in the cities on Saturday afternoons, and left at offices after they are closed. Quite often it is very inconvenient. It is difficult to understand why it should be considered necessary to have mail deliveries on Saturday afternoons in the cities. Is there any special reason why that service should be given?

Mr. EULER: I can only suggest that if the mail is not delivered on Saturday afternoon, the people will not get it until Monday, as there are no deliveries on Sundays. Without this service, mail might arrive at the post office on Saturday morning and not be delivered until the following Monday. It has been thought that this is a service well worth giving to the people of this country.

Mr. GREEN: What compensation is given to the postal employees for working on holidays and Saturday afternoons? Do they get overtime?

Mr. EULER: These employees work a forty-four hour week, and any additional time that they are asked to give for this purpose is allowed to accumulate and they are given holidays accordingly.

Mr. GREEN: They get no overtime pay for that?

Mr. EULER: No.

Mr. BENNETT: The time is added to their holidays, is it not?

Mr. EULER: Yes.

Mr. GREEN: What has been the increased cost during the last calendar year as a result of this change in the service?

Mr. EULER: I am sorry I have not that information before me.

[Mr. Green.]

Mr. GREEN: Perhaps the minister could tell us what increase there has been in the staff as a result of the change.

Mr. EULER: There has been no increase.

Mr. GREEN: The minister surely does not mean that no new men have been taken on, because last session we were told that one of the reasons why this change was being inaugurated was to help solve the unemployment problem.

Mr. EULER: My answer was incorrect. There have been some increases in the staff, but I have not the information under my hand at the moment. I shall be glad to give it later.

Mr. GREEN: The minister will give that information to the committee later?

Mr. EULER: Yes; I think I can get that information for the committee.

Mr. GREEN: Were these men who were taken on the staff taken on through the civil service commission or appointed through the local Liberal associations?

Mr. EULER: Through the civil service commission—not the Liberal association.

Mr. GREEN: They were all engaged through the civil service commission?

Mr. EULER: That was my answer.

Mr. GREEN: That was not the case, I believe, in Vancouver.

Mr. EULER: Did my hon. friend say that was not the case there?

Mr. GREEN: I believe it was not the case in Vancouver. Can the minister say whether it was?

Mr. EULER: I cannot alter my answer. I said the appointments were made by the civil service commission, and I assumed I was giving an answer for the whole of Canada. I did not think there would be any exception in Vancouver or any other city, except that at Christmas time the extra help taken on is not engaged through the commission.

Mr. GREEN: I understand that part of the Christmas help were kept on and given permanent positions, and if that was the case they certainly were not engaged by the civil service commission. Surely the department can give us information on that point.

Mr. EULER: Some of them were kept on a little longer in order to liquidate the extra time they put in because of deliveries on Saturday afternoons and holidays.

Mr. GREEN: Were they taken on the permanent staff or were other men put on?

Mr. EULER: They would be taken on the permanent staff only if they were on the eligible list and appointed by the civil service commission.

Mr. O'NEILL: There are a great many places in British Columbia where the post office used to be closed on Wednesday afternoon, now under this new arrangement the men are working on both Saturday afternoon and Wednesday afternoon. A lot of people would be quite agreeable to having the post office closed on Wednesday afternoon. As a matter of fact the stores are all closed; there is nobody around the town except in the post office, and only one or two people call during the entire afternoon to get their mail. The people as a whole are quite prepared to have the post office closed on Wednesday afternoon, and they have asked me to intercede with the Post Office Department to have that done.

Mr. EULER: The district inspectors have been given power to use their own judgment in cases such as those to which my hon. friend has referred, and if his people would make application to the district inspector, the post office may be closed.

Mr. O'NEILL: Thank you.

Mr. GREEN: Have the postmasters in the cities the power to say there shall be no mail delivery on Saturday afternoon or on any particular statutory holiday?

Mr. EULER: No.

Mr. LENNARD: There has certainly been an increase in employment due to the delivery of mails on the holidays, but I understood the minister to say no.

Mr. EULER: I corrected my first answer.

Mr. LENNARD: Then, as to the increase in cost, I know that in Hamilton the increased cost for the twelve months ended December 31, 1937, was some $2,700.

Mr. EULER: Was it worth it?

Mr. LENNARD: No. I am speaking of Hamilton in particular because I know conditions there. Not one of the business places that have been polled—that have been canvassed—is in favour of the holiday delivery of mail. In fact a great many business houses have instructed the postmaster in Hamilton not to have any mail delivered to their places of business on Saturday afternoon or holidays. The employees are also very much against it, because they have now to work on all statutory holidays throughout the year. They do not complain so much about working at Christmastime, and perhaps it is not unreasonable that there should be one delivery on Christmas morning. But the men complain of having to work on the first of July, Labour Day, Civic Holiday and other statutory holidays throughout the year, when they used to be free to go out with their families and enjoy themselves. While the extra time they thus put in on holidays accumulates, it is given to them in January or February of the following year, which they claim is a time of year when they cannot go anywhere or do anything with their families, and a few free days then are a poor substitute for the annual statutory holidays.

The holiday mail delivery is also very unfair to the one man post office, the country post office, which is obliged to keep open the greater part of Christmas Day. As regards the larger post offices, in Hamilton, for instance, where the post office is open on Christmas Day, they took in at the wicket on Christmas Day, 1936, forty-seven cents, and on Christmas Day, 1937, fifty-five cents. They give a half-day service there, with two men at the wickets, and all they took in on Christmas Day was forty-seven cents in 1936, and fifty-five cents in 1937. I think the change is a failure all around so far as my part of the country is concerned.

Mr. MacNICOL: I perhaps should not worry the acting Postmaster General about the matter I am going to bring up. I wish the Postmaster General himself were in his seat so that I could speak a little more freely.

Mr. EULER: Go as far as you like.

Mr. DUNNING: Do not muzzle yourself.

Mr. MacNICOL: All right, because I know that if the acting Postmaster General can answer in a reasonable way, he will do so.

During the former term of the present government, under the direction, I assume, of the then Minister of Public Works, a very fine post office was erected at the corner of Appleton and St. Clair avenue west.

Mr. DUNNING: What city are these streets in?

Mr. MacNICOL: In Toronto. Perhaps it is because this is in Toronto that what I am going to relate took place, last spring. The former administration selected the site of the post office at the corner of Appleton avenue and St. Clair avenue known as station "L," because of its fine location. Many mail men, the ordinary "posties" who deliver mail, work from that post office; they take care of the whole north end of ward six and a large portion of South York adjacent to Toronto. Its situation is also satisfactory from the point

of view of the safety of children or young people sent by their parents to buy stamps or obtain mail or for any of the purposes for which they go to a post office, and for the last ten years it had been very largely used by all the residents thereabout. I might mention that it was where I got my mail; I used it a great deal, bought large quantities of stamps there and used it for any other postal business I had to transact. The building was specially constructed for post office purposes, I assume in accordance with plans prepared under the former Liberal government. It has three outside walls, one on St. Clair avenue, one on Appleton avenue, and another on a lane running parallel with St. Clair avenue. Presumably upon instructions of the former Liberal administration, it was furnished with very large windows on both avenues and the lane so as to admit all the light possible.

Last spring, towards the end of April, and just before I sailed for the coronation, a rumour came to me that the site was about to be changed, and immediately afterwards the owners of the building and the land came to see me about the matter; but as I was sailing in a day or two I could do nothing more than write, wire or telephone—perhaps I did all three—to the Minister of Public Works. I did not receive a reply to the letter I assume I wrote until after I came home. In any event I called up the Minister of Public Works and apparently wired him on or about April 29. At that time no contract had been entered into for the moving of the post office. Upon my return I found that it had been moved out of ward six into ward five, some five hundred feet or more or less east of the former location and on the opposite side of the street. I also learned that on May 7 a letter was sent to the Postmaster General, which was signed by, I believe, Mr. J. L. Shannon—that appears to be the name—and from which I wish to read some statements:

Hon. J. C. Elliott,
Postmaster General,
Parliament Buildings, Ottawa.

Dear Sir:

In connection with the proposed removal of postal station "L" from the corner of St. Clair and Appleton avenues to a point on the south side of St. Clair avenue approximately one hundred yards east of Oakwood avenue, I am enclosing herewith a petition signed by approximately three hundred residents, store owners and business men in the community who are strenuously objecting to the removal of the post office from its present location. The present building is situate on a corner and is accessible and convenient to the business section of the community. The proposed new site is located in a less advantageous position, will be cramped for parking space, is inaccessible, and persons seeking to use the post office will have to cross a dangerous intersection, as four car lines—

Mr. KIRK: Mr. Chairman, what item are we on now?

The DEPUTY CHAIRMAN: No. 258.

Mr. KIRK: I wondered whether the hon. member's remarks are relevant to this item.

Mr. MacNICOL: They are relevant, Mr. Chairman, and I am going to proceed until I am through.

—as four car lines and one bus service pass this spot.

Note that in the former location of the post office erected for the Liberal government when it was in power before, they made an admirable selection for a public building of this kind. but the present building is located adjacent to several car lines and a bus route.

Mr. EULER: Does my hon. friend say that the former building was erected by the government?

Mr. MacNICOL: Erected on plans prepared, or at least suitable, I am told, for the former Liberal government. I have learned a good deal about what occurred at that time, but I am not going to refer to it; perhaps the less said about it the better.

Mr. EULER: I am trying to get information. I understood my hon. friend to say that the building was erected by the government.

Mr. MacNICOL: Erected for the government and, I am told, in accordance with plans suitable for the government. I assume that the government, when arranging to occupy a new building, would be interested in the plans. I will continue from where I left off:

It seems hard to understand why a bright, airy building, specially built for a post office, and ideally located to serve the needs of the district, should be abandoned, and a post office put in the proposed location, and in a building which, at best, must be a make-shift.

It is not I who am passing these comments about the present post office building; I am just reading this letter:

In your letter notifying Mr. Calderone of the proposed change, you state that the premises are too small. What I would like to know is why he was not given an opportunity of remedying this condition, if it existed, as he owns the store next door and the entire upstairs, and any additional space would have been immediately available. This whole matter was put through without giving Mr. Calderone an opportunity of making any necessary alterations to the building for increased space, and the people in the district are putting their own construction on the matter.

I am not making these statements; they are made by the writer of this letter to the Postmaster General. But what I would like to find out is the origin of the removal of that post office. It had been there for ten years, had been placed there by a former Liberal government; when the lease expired during our term of office it was renewed because all the people in the community wanted it to remain there, and therefore I, as representative of that part of the city of Toronto, would under no circumstances have asked for its removal. I should like to be informed how this removal came about which has caused so much annoyance in that whole community. West on St. Clair avenue are a great number of stores; in fact the whole street on both sides west of Oakwood avenue, apart from school yards, consists of business premises, and all these people have to go some five hundred feet or more further to the east and across the intersecting car lines which are referred to in the letter from which I have read.

When I came back, I received this letter, which had been sent to me on May 27 by the Minister of Public Works:

> I have yours of the 29th ultimo, relative to the surrender of premises leased from Mr. Calderone at the corner of Saint Clair and Appleton avenues, Toronto, and, in reply, may say that the request for larger accommodation for postal station "L" came from the Post Office Department as early as February of this year, when representations were made that, in view of the growth of that portion of the city of Toronto which this postal station serves, additional accommodation is necessary and that property known as 937, 937A and 939 St. Clair avenue west, just east of Oakwood, had been looked over by the district director of postal services, who reported that the proposal would mean a total increase over all of approximately 1,200 square feet and an increase on the main working floor of approximately 1,500 square feet.

When the former lease was renewed during our term of office, the owners of the building wrote to the Minister of Public Works at that time intimating that if more space were required they would be happy to let the Post Office Department have a store in the same building facing on St. Clair avenue, which apparently the department did not require when it was under the direction of the former Liberal administration.

In view of the splendid location of the former post office, its admirable lighting facilities, with three outside walls, the fact that it had been specially built to suit the Post Office Department and that there was more space available in the store, forty feet by eighteen, in the same building, immediately in front of the former post office, I cannot for the life of me understand why the change was made, and I should like to have some information from the minister. Certainly there are few in that community who believe that the purpose was to obtain more space, because, while I have no comment to make upon the new building, I am bound to say that if it has any more space it has but little in excess of the old building, and it has only two outside walls, besides being east of Oakwood avenue. Moreover, it is more difficult to reach than was the former building, not being quite so accessible to a large number of people who use that post office.

As a representative of part of that whole district, I feel that I should have been consulted, although I am on the opposite side of politics. I would not for a moment believe that there was any politics in it, and if there were no politics I suggest that I should have been asked something about the matter when the change was made, as to whether it was satisfactory or not. Maybe that is not the custom of the Post Office Department, but it certainly should be. The representative of the riding should be asked something about such changes. It was during the former government's term of office that postal branches were up for renewal in my community, and I never inquired in those days whether a man was Liberal or Conservative, because the post office serves the whole community irrespective of politics and it should be beyond anything like that.

That is about all I have to say with respect to that point, and if the acting Postmaster General cannot give me information as to the real story behind the change that was made, when the Postmaster General comes in I may have something further to say to him which will be of interest. At the moment, however, I shall leave the matter where it stands.

Mr. EULER: Does my hon. friend wish me to give a reply now or does he prefer to wait until the Postmaster General is here?

Mr. MacNICOL: Can the acting Postmaster General give the reply?

Mr. EULER: I have information which I hope will be satisfactory.

Mr. MacNICOL: I shall be glad to have it.

Mr. EULER: I do not wish to read all the correspondence unless it is asked for. Apparently the first incident in connection with the matter is a letter written on February 23 by the chief superintendent of post office service addressed to the chief architect of the Department of Public Works, Ottawa. He makes reference to these quarters, but the thing that is most relevant is a statement

that these quarters are crowded and that in view of the growth in that portion of the city of Toronto which this postal station serves, additional accommodation is necessary. He asks the chief architect to have his officers go into the matter so that increased postal accommodation will be available for the department—

Mr. MacNICOL: In the same building?

Mr. EULER: —not later than the date of expiration of the "present lease." He makes reference to the site which has now been secured.

Mr. MacNICOL: In that letter of the 23rd?

Mr. EULER: This was February 23, yes.

Mr. MacNICOL: He refers to the new site?

Mr. EULER: Yes. The letter was written by the chief superintendent of post office service to the chief architect. The supervising architect, whom possibly my hon. friend knows—he is located in that district—wrote a letter stating that he had visited the property referred to, and he encloses—

Mr. MacNICOL: The former property or the new?

Mr. EULER: The new property, I take it, because he describes it as follows:

The property is situated approximately one block east of the present postal station "L" but on the south side of St. Clair avenue, instead of the north.

Then he gives the areas.

Mr. MacNICOL: By whom is that written?

Mr. EULER: By Mr. Winter.

Mr. MacNICOL: It is more than two blocks east.

Mr. EULER: Perhaps I had better read the whole letter:

As requested by yours of the 26th ultimo, I visited the property referred to in the Post Office Department's letter, copy of which accompanied your letter to me, and now enclose Form "B" in duplicate offering these premises for rental, together with plans.

The property is situated approximately one block east of the present postal station "L", but on the south side of St. Clair avenue, instead of the north. The areas of existing premises and proposed new premises are as follows:

Existing premises:	Square feet
Ground floor	3,775
Basement	1,880
Total	5,655

New premises:

Ground floor	4,746
Basement	3,925
Total	8,671

The owner agrees to alter existing front of the building to suit post office requirements, install a new entrance, outside drops, etc., a new entrance and staircase at the rear, and an addition to the building as shown on plan, together with a freight elevator serving the ground floor and basement.

The rent being paid for the existing postal station "L" is $5,400 per annum. The rate being asked for proposed new postal station, is $6,840. With so much additional space, the rental asked is in my opinion a reasonable one.

At the rear of the property is a public lane twenty feet wide connecting to Oakwood avenue, immediately to the west of the building.

The present postal station "L" is very crowded, and with increasing business, additional accommodation is necessary.

The above is recommended for your consideration.

It is signed R. Winter, supervising architect, and addressed to the chief architect, Mr. C. D. Sutherland, Public Works Department, Ottawa.

Mr. MacNICOL: The ground floor of the former building was 3,775 square feet?

Mr. EULER: Yes.

Mr. MacNICOL: In a part of that building at the front there is a store, forty feet by eighteen, which the owner offered to the Post Office Department, which would give an additional 720 feet.

Mr. EULER: I might complete the statement I have here. Summarizing it, it appears that the old premises had a total area of 5,655 square feet, and the new or present premises an area of 8,671 square feet. In the old premises the cost per square foot was ninety-five cents; in the new premises the cost per square foot is seventy-eight cents. So, according to this, which I assume is correct, the change was made because more space was required, and in the new premises the space was secured at less cost than we were paying for the old place.

Mr. MacNICOL: I cannot see that, as Mr. Winter's letter says the ground floor space of the former post office was 3,775 feet. Adding to that the store in the front of the building which was offered to the government, forty by eighteen feet, or 720 square feet, makes 4,495 square feet in the old building, and then half that amount in the basement, or about 6,735 square feet in all in the old building.

Mr. EULER: Does my hon. friend question these figures, that in the old building the ground floor had 3,775 square feet?

Mr. MacNICOL: Frankly, I cannot see where he gets those figures, because the figures given to me for the old building are 51½ feet wide by 89 feet, which would make the ground floor area about 4,590 feet, I believe, less the 720 feet, or net 3,870 feet, without basement.

Mr. EULER: These figures are given by the supervising architect. I think it is fair to assume that they are correct.

Mr. MacNICOL: If they are on the same basis they are incorrect. Should we add the store in front—

Mr. EULER: No, to that he adds the basement.

Mr. MacNICOL: The old building did not take in all the front of the premises, or all the basement.

Mr. EULER: There is no store spoken of here.

Mr. MacNICOL: No; the store is not in the former post office. I tried to make that clear, but the minister could not understand it.

Mr. EULER: I am afraid all I understand is the figures given here, and they do not seem to correspond with my hon. friend's remarks. They are given by the responsible officials of the department, and with all due regard to what my hon. friend says I am inclined to think they should be accurate. The actual result, if you sum it up, is that the department now has 8,671 square feet at seventy-eight cents a square foot, whereas for the previous premises they paid ninety-five cents a square foot for 5,655 square feet, or they saved seventeen cents a square foot. And they needed more space.

Mr. MacNICOL: The resident architect's statement is that the ground floor area of the former building was 3,775 feet?

Mr. EULER: That is what he says.

Mr. MacNICOL: Admitting that is correct, then add the store in the front of the building—

Mr. EULER: Why add that?

Mr. MacNICOL: Because the owner offered it to the present government just as he did to the former government. The former government said they did not require it.

Mr. EULER: At the same price, ninety-five cents?

Mr. MacNICOL: At the same price as his rent was.

Mr. EULER: But the cost of the new premises was only seventy-eight cents a foot.

Mr. MacNICOL: Can I make the minister understand this, that the frontage of the building on St. Clair avenue, as I remember it and according to the figures given to me, is 51½ feet? But off that there is a store eighteen feet wide. The rear of the building, where the Post Office Department had the whole width, is 51½ feet wide. The owner of the premises offered to the present government, as he did to the former government, that store in front eighteen feet wide. That is 720 square feet, and adding that to the 3,775 feet which Mr. Winter says was the area of the floor space of the former building would make 4,495 feet. The basement is approximately, say half the size, making another 2,245 feet.

Mr. EULER: If those figures are accurate, at the price of ninety-five cents the amount to be paid would be considerably more than they are paying for the present premises. It is just a matter of arithmetic; if you divide the total number of square feet into the rental, it figures out at ninety-five cents under the old lease. Under the present lease it is seventy-eight cents.

Mr. MacNICOL: If Mr. Winter's figures are correct, that the floor space of the former building was 3,775 feet—I will accept those figures as correct although I doubt they are—

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: As a matter of fact I do not think the old building was that large. His figures may be just as correct as the statement that the new post office is one block east, whereas it is more than two blocks east and on the opposite side of the street.

Mr. EULER: We admit the opposite side of the street.

Mr. MacNICOL: If his statement is correct, that the former floor space was 3,775 feet, then adding to that the store, 720 feet, would make the ground floor space that the government could have had at the same rental as they were formerly paying, I am told—

Mr. EULER: Does my hon. friend mean that they were going to make a present of the additional space?

Mr. MacNICOL: That is what I am told. The department has a letter from the owner, I am told, making an offer, that the rent was to remain the same. That would have made a floor space of 4,495 feet, larger apparently than the new building. But my opinion is that the old space would not be quite as large as the new space. That, however, is not what was behind it at all. I should like to get behind the letter written on February 23. How did the inspector happen to come up there? What went on before that? What were all the negotiations beforehand that induced the inspector to report that, "We had better move east five or six hundred feet, get a larger space," and so on. I know the present acting minister is not familiar with the particulars I have and consequently could not answer that question. But that is what I want to get, and if I do not get it at this time I shall get it on another occasion. I am going to bring that out if I can. With the Minister of Finance (Mr. Dunning) trying to save every dollar he can and to cut down the tax rate as much as he can, why was the Post Office Department so prodigal that it would leave a building specially built for post office work and go away to the east at more money? Perhaps the minister can tell me who paid all the expense. Did the owner of the present building pay for the expense, or did the Post Office Department or the Department of Public Works spend the money on the renovated building? If that were added, it would come to quite a large sum over what the former building would have cost.

Mr. PELLETIER: There is a matter I should like to bring to the attention of the acting Postmaster General, concerning a public building owned by the Department of Public Works in the town of Falher. In that town there is at present an immigration building occupied by the government telegraph office.

Mr. EULER: What is the place?

Mr. PELLETIER: Falher. This building was formerly used as an immigration building, but since there has been no immigration to the district for some time it has been empty, with the exception of its use as an office by the Canadian government telegraphs. At the same time, in that town the Post Office Department is renting a building for post office purposes. I believe that if the acting minister would look into the matter he would find no objection from the postmaster or others concerned to moving into the immigration building, thereby saving the department a considerable sum each year in rentals.

The building now leased by the Post Office Department is a private building owned by the postmaster. He has told me that he requires the building for his own use, and would be only too glad to use the government building for post office purposes. If the acting minister would bring the matter to the attention of the department, I believe he would find that he could effect quite a saving each year by using the government building instead of renting a private building. If what I suggest cannot be done, I should like to be advised as to the reason.

There might also be the objection that the building is somewhat removed from the present post office, but I can assure the acting Postmaster General that it would require only a move of about three or four hundred yards, and would in no way inconvenience anyone receiving mail at that point. It was my wish to bring the matter up under this vote, so that it might come to the attention of the department. I am sure they will find that they can effect a saving.

Mr. EULER: I am glad the hon. member has brought the matter to my attention. If it is possible to use the building, without interference with the lease, his suggestion certainly will be acted upon. I shall be glad to have the matter investigated.

Mr. MacNICOL: Will the acting minister bring down all the correspondence in connection with the change of postal station L from ward six to ward five? Would he bring down figures showing the costs in connection with the change, and the correspondence, or will it be necessary for me to put the question on the order paper?

Mr. EULER: I assure the hon. member that if there is any other correspondence, I shall be glad to bring it down when the committee sits again. I have no knowledge that there is any, but I shall make inquiries.

Mr. BENNETT: It is eleven o'clock.

The CHAIRMAN: Is the item agreed to?

Mr. BENNETT: No.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 28, 1938

The house met at three o'clock.

ST. LAWRENCE WATERWAY

TABLING OF CORRESPONDENCE—ST. LAWRENCE DEEP WATERWAY TREATY 1932, NIAGARA CONVENTION 1929, OGOKI RIVER AND KENOGAMI RIVER (LONG LAKE) PROJECTS, AND EXPORT OF ELECTRICAL POWER

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table a copy of a white paper containing correspondence and documents relating to the St. Lawrence deep waterway treaty, 1932; Niagara convention, 1929, Ogoki river and Kenogami river (Long lake) projects; and export of electrical power. The French translation has been completed, but there has been a slight delay in the printing. I hope to be able to lay it on the table to-morrow.

I received this morning from the Premier of Ontario a communication stating that he is forwarding to me to-day a reply to my letter to him of February 22. My letter is included in the white paper, which was printed and bound for distribution before I received this telegram. If the letter from the Premier of Ontario is received by to-morrow I shall table it in order that the correspondence may be complete. I imagine that would be the wish of the Premier of Ontario.

I desire also to table a photostatic copy of an extract from the Congressional Record of February 16, 1938, containing a letter of February 12, 1938, from the Premier of Ontario to Congressman W. G. Andrews referring to the St. Lawrence waterway, the great lakes and related problems. Seeing that this correspondence has just been brought down, I do not think it will be possible to proceed to-morrow with the second reading of the bill respecting the export of power.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PORT COLBORNE, ONT., ELEVATOR EARNINGS

Mr. DAMUDE:

1. What were the net earnings of the Port Colborne grain elevator for the years 1933, 1934, 1935, 1936, and 1937?
2. How many are employed at this plant?
3. When was the superintendent appointed, and by what method was his appointment made?

Mr. HOWE:

The following information is furnished by the National Harbours Board:

1. Net earnings before charges for interest and depreciation have been made.

April 1, 1933—March 31, 1934	$ 61,001 35
April 1, 1934—March 31, 1935	83,371 41
April 1, 1935—March 31, 1936	112,781 84
April 1, 1936—December 31, 1936 (9 months)	49,829 14
January 1, 1937—December 31, 1937	27,058 17

2. Permanent (full time) 23
Seasonal (period from April 16 to December 15) 3
Temporary and casual (for period of navigation season and as required) 85
3. October 1, 1930, by promotion.

CANADIAN NATIONAL RAILWAYS—NICOLET STATION REMOVAL

Mr. DUBOIS:

1. What was the cost of the removal last summer of the Canadian National Railways station at Nicolet?
2. Who secured the contract for its removal?
3. To whom was the old station of the Quebec, Montreal and Southern Railway sold?
4. At what price?

Mr. HOWE: The management of Canadian National Railways advise that the above questions relate to matters of internal management, and it is felt that the answers thereto would not be of public interest.

CANNED BEEF IMPORTATIONS

Mr. SENN:

1. What quantities of canned beef were imported into Canada for each of the last three years?
2. From what countries?

Mr. EULER:

1 and 2.

Imports into Canada of Canned Beef (Calendar years, 1935, 1936 and 1937)

Imported from	1935(*) Pounds	1936 Pounds	1937 Pounds
All countries	10,363,006	12,056,904	11,694,759
United Kingdom	350	498,000	26
United States	.....	10,324	50,920
Argentina	7,331,904	9,704,990	8,721,485
Paraguay	.....	.....	208,265
Uruguay	3,018,914	1,834,914	2,665,139
Australia	11,838	8,640	48,924
Alaska	.....	36	.....

(*) From April 1, 1935, to December 31, 1935.

CORONATION OATH

Mr. CAHAN:

By whom, and under what statutory or other authority, was the coronation oath, which was prescribed in 1689 by The Coronation Oath Act (1 Will. and Mary c. 6), and which had been administered at every coronation thereafter, changed in its terms and a new form of oath administered to His Majesty George VI, upon his coronation on May 12, 1937?

Mr. MACKENZIE KING:

The coronation oath provided for in 1689 by The Coronation Oath Act (1 Wm. and Mary c. 6) had not been administered at every coronation thereafter in the terms prescribed in the Act. While the form of coronation oath was laid down by statute and could not be altered without statutory authority, it had always been recognized that if a statute was passed altering the constitutional position in such a way as to render words of the original oath no longer applicable, that statute might be treated as impliedly authorizing and indeed requiring a corresponding alteration in the wording of the oath. This procedure was followed in the case of the act of union with Scotland and the act of union with Ireland. The position in Ireland and the enactment of the statute of Westminster altered the constitutional position of the United Kingdom in relation to the dominions, in such a way as to render the existing words of the coronation oath inapplicable. Accordingly, it was necessary that an alteration should be made, and the present form of oath was administered upon the statutory authority of The Coronation Oath Act and the intervening statutes affecting the constitutional position up to and including the statute of Westminster.

The alteration was made by the coronation commission, after consultation with and the concurrence and approval of all the governments of the British commonwealth of nations.

*PUBLIC UTTERANCES OF GOVERNOR GENERAL

Mr. CAHAN:

Has the constitutional rule ever been abrogated, which was expressed in 1879 by the prime minister of that day, to the effect that the governor general of Canada in his public utterances shall preserve absolute silence on matters of policy or of a public nature?

Mr. MACKENZIE KING: This question I believe is out of order. It would appear to be asked not so much to obtain information, as to supply it. I am not aware that a statement was made in 1879 by the Prime Minister of that day in the terms set forth in the question and I should appreciate information as to where it is to be found.

[Mr. Euler.]

TRANS-CANADA AIR LINES—CIVIL AVIATION

Mr. BLANCHETTE:

1. Will the Trans-Canada air lines be completed by the end of the present year?

2. What is the government doing towards the training of youths for civil aviation?

Mr. HOWE:

1. West of Montreal to the Pacific coast—yes.

2. The government has supported the flying club movement for the past ten years, so as to make available facilities for flying instruction in all parts of the dominion.

CONSULTATION BETWEEN BRITISH FOREIGN SECRETARY AND DOMINION REPRESENTATIVES

Mr. WOODSWORTH:

1. Is there held in London a weekly conference at which the foreign secretary meets the representatives of the various dominions?

2. Does the High Commissioner for Canada attend this conference?

Mr. MACKENZIE KING:

1. No.

2. Answered by No. 1.

ATHENS, ONT., POSTMASTERSHIP

Mr. STEWART:

1. When did the last postmaster at Athens, Ontario, tender his resignation?

2. On what date was his resignation accepted?

3. Who was appointed in his place?

4. How many returned soldiers, of Athens or vicinity, applied for appointment?

5. Did the present postmaster reside and carry on business at Morton, about twelve miles from Athens, before his appointment?

6. Were there applications for this position from residents of Athens, Ontario?

7. If so, why were they all rejected?

8. Was this appointment under the control of the civil service commission?

9. When did the present postmaster first receive his personal mail at Athens?

10. On whose recommendation was the present postmaster at Athens appointed?

Mr. EULER:

1. 12th December, 1935, to take effect on 1st September, 1936.

2. Postmaster was advised on the 28th August, 1936, that the transfer of the office would be effected on the 1st September, 1936.

3. Harry Wykes, returned soldier.

4. Three, including Mr. Wykes.

5. Information on file indicates Mr. Wykes had transacted postal business at Athens since

1933. Information subsequent to transfer indicates that Mr. Wykes previously resided at Morton.

6. Yes.

7. Person selected stated he was a patron of the Athens Post Office.

8. Departmental appointment, residential qualifications not required.

9. See answer to no. 5.

10. D. E. Lewis of Brockville.

FRESH FRUITS—IMPORTS AND EXPORTS

Mr. GRAYDON:

1. What was the total value of: (a) fresh fruits; (b) fresh vegetables; (c) fresh citrus fruits, imported into Canada from the United States of America in each of the years 1935, 1936, and 1937?

2. What was the total value of: (a) apples; (b) all other fresh fruits exported from Canada to the United Kingdom in each of the years 1933 to date?

Mr. EULER:

1. Imports into Canada from the United States of (a) fresh fruits (b) fresh vegetables; (c) fresh citrus fruits

(Calendar years, 1935, 1936 and 1937)

Articles imported	1935	1936	1937
	$	$	$
Fresh fruits	10,079,992	12,728,378	13,658,530
Fresh vegetables	3,011,084	3,785,505	4,559,002
Citrus fruits—			
Lemons	1,034,269	1,436,875	1,064,279
Limes	1,111	3,315	3,518
Oranges	5,041,103	5,949,725	6,823,885
Grapefruit	775,915	1,054,564	1,309,835

2. Canada's domestic exports of fresh fruits to the United Kingdom

(Calendar years, 1933 to 1937)

	Apples	Other fresh fruits
1933	$10,061,420	$214,561
1934	8,120,848	95,784
1935	9,049,174	412,359
1936	5,624,865	123,765
1937	6,490,358	105,000

MONT-LAURIER-SENNETERRE HIGHWAY

Mr. LALONDE:

1. Has the federal government contributed to the construction of the Mont-Laurier-Senneterre highway, known as project No. 17-36? If so, for what amounts, and on what date or dates were the payments made?

2. Has the federal government also contributed to the work of project No. 58 (Villemaire creek bridge to Mont-Laurier), and, if so, for what amounts, upon what dates were payments made for said work, and what were the amounts?

Mr. ROGERS:

1. Project No. 17 of schedule "C" to the agreement entered into between the dominion and the province of Quebec under the provisions of the Unemployment Relief and Assistance Act, 1936, provided for a dominion contribution of $70,350, being 50 per cent of the total estimated cost of clearing, preliminary works and gravelling on the Mont-Laurier-Senneterre highway, it being provided that the province contribute an amount equal to that contributed by the dominion. Payment of accounts rendered by the province with respect to this project were made on the dates and in the amounts hereunder mentioned.

Date of payment	Amount of dominion contribution
April 20/37	$11,391 37
September 3/37	33,910 53
September 28/37	46,200 96
	$91,502 86
October 2/37 Credit	22,505 99
	$68,996 87

2. Project No. 58 of schedule "C" to the agreement referred to in No. 1 above provided for a dominion contribution of $5,000, being 50 per cent of the total estimated cost of bridging Villemaire brook, including approaches, at Mont-Laurier, it being provided that the province contribute an amount equal to that contributed by the dominion. Pay-

ment of accounts rendered by the province with respect to this project were made as follows:

Date of payment	Amount of dominion contribution
April 30/37	$ 995 34
August 18/37	3,486 94
December 11/37	12 68
	$ 4,494 96
August 19/37 Credit	327 52
December 7/37 Credit	30 00
	$ 4,137 44

Project No. 36-58 of schedule "C" to the agreement entered into between the dominion and the province of Quebec under the provisions of the Unemployment and Agricultural Assistance Act, 1937, provides for a dominion contribution of $3,000, being 50 per cent of the estimated total cost of completing the works authorized by above referred to project No. 58 of the agreement with the province under the Unemployment Relief and Assistance Act, 1936, it being provided that an equal amount be contributed by the province. Payment of accounts rendered by the province to date with respect to project No. 36-58 have been made as follows:

Date of payment	Amount of dominion contribution
January 25/38	$ 839 07
February 9/38	1,116 47
	$ 1,955 54

BOULEVARD PIE IX BRIDGE, ST. VINCENT DE PAUL

Mr. LACOMBE:

1. Has the federal government contributed to the construction of the Boulevard Pie IX bridge at St. Vincent de Paul?

2. If so, what amounts were so contributed?

3. Is the work of construction on this bridge completed, and is the bridge now open for traffic?

4. Has the construction work on the bridge been definitely approved and accepted by the federal government?

Mr. ROGERS:

1. Yes.

2. Provision was made in the agreement entered into between the dominion and the province of Quebec pursuant to the provisions of the Unemployment Relief and Assistance Act, 1936, for a dominion contribution of $300,000 toward the cost of construction of a bridge on Pie IX boulevard at St. Vincent de Paul, costs of expropriation and building of approaches excluded, it being provided that an equal amount be contributed by the province. Payments aggregating $275,969.92 have been made to the province with respect to accounts rendered to the dominion in connection with this project.

Provision is made in the agreement entered into with the province of Quebec pursuant to the provisions of the Unemployment and Agricultural Assistance Act, 1937, for a dominion contribution of $6,500 with a like contribution from the province for the completion of the works commenced under the 1936 agreement.

Provision is also made in the agreement with the province under the 1937 act for a dominion contribution of $200,000 with a like contribution from the province, for new construction on the Pie IX boulevard bridge including viaduct for M. T. Railway but excluding expropriation costs and cost of building approaches. No accounts have at this date been received from the province with respect to construction of the Pie IX bridge carried out during the current fiscal year.

3. Construction of the bridge proper has been completed and opened for traffic but is understood to be closed at the present time due to damage created by snow plough.

4. Not being a federal bridge, the construction is not subject to approval or acceptance by the Federal Government.

ALBERTA AND SASKATCHEWAN RELIEF LOANS

Mr. BLACKMORE:

1. How much money has been loaned to each of the provinces of Alberta and Saskatchewan for relief purposes?

2. How much money was loaned to each of the provinces of Alberta and Saskatchewan for agricultural relief, including transportation of feed and live stock, and purchase of feed?

Mr. DUNNING:

1. The amounts outstanding as of February 25, 1938, of loans made under various relief acts to the provinces of Alberta and Saskatchewan are as follows:

	Alberta	Saskatchewan
Loans specifically for agricultural relief including seed grain	$ 3,152,748	$14,550,633
Loans specifically to meet maturing obligations and interest	8,577,000	3,934,341
Loans for provincial purposes generally including drought area relief, public works and direct relief	14,156,450	41,363,168
	$25,886,198	$59,848,142

Note: The above total of loans outstanding is, in the case of Saskatchewan, inclusive of $17,682,158 written down to non-active assets as of March 31, 1937, pursuant to Vote 393 of the further supplementary estimates for 1936-37. The third main classification cannot be further broken down to show the exact amount used by the provinces for agricultural relief.

2. Answered by No. 1.

SUSSEX, N.B., CUSTOMS OFFICE

Mr. BROOKS:

What was the amount of: (a) yearly revenue collected; (b) yearly expenses, of Sussex, New Brunswick, customs office for the past ten years?

Mr. ILSLEY:

(a)	1927-28	$ 22,508 52
	1928-29	25,899 81
	1929-30	28,179 98
	1930-31	21,487 08
	1931-32	17,690 97
	1932-33	17,941 53
	1933-34	14,467 81
	1934-35	20,798 30
	1935-36	22,227 67
	1936-37	27,056 27
(b)	1927-28	1,838 28
	1928-29	2,159 30
	1929-30	1,956 99
	1930-31	2,020 29
	1931-32	1,947 22
	1932-33	1,690 17
	1933-34	1,721 86
	1934-35	1,660 10
	1935-36	1,754 92
	1936-37	1,788 64

CANADIAN BROADCASTING CORPORATION—DIRECTORS

Mr. MASSEY:

1. Who are the directors of the Canadian Broadcasting Corporation?
2. What are their several occupations?
3. When were they appointed, and for how long?

Mr. HOWE:

Order in council, P.C. 2369, of September 10, 1936, authorized the appointment of Messrs. Leonard W. Brockington, of the city of Winnipeg, barrister at law; Rene Morin, of Montreal, general manager; and Mrs. Nellie McClung, of Victoria, as members of the Canadian Broadcasting Corporation for a term of three years from the date of the coming into force of the Canadian Broadcasting Act, November 2, 1936.

Mr. J. Wilfrid Godfrey of the city of Halifax, barrister at law, Captain (Reverend) Alexander Vachon, of Quebec, director of chemical research; and Colonel Wilfrid Bovey, of Montreal, barrister at law and educationalist, were appointed for the two-year term; and Nathan Louis Nathanson, of Toronto, president of Famous Players Canadian Corporation, Limited; Alan Butterworth Plaunt, of Ottawa, journalist; and Brigadier-General Victor W. Odlum, of Vancouver, were appointed for the one-year term.

By order in council, P.C. 1157, of May 29, 1937, the resignation of Colonel Wilfrid Bovey was accepted and Reverend Eastland Fuller, of Campbellton, New Brunswick, a canon of the Church of England, was appointed for the unexpired portion of the two-year term for which Colonel Bovey had been appointed.

On the expiration of the one-year term for which Nathan L. Nathanson, Alan Butterworth Plaunt, and Brigadier-General Odlum were appointed, these three gentlemen were, by order in council, P.C. 2641, of October 27, 1937, re-appointed for the term of three years from the 2nd day of November, 1937.

*FOREIGN INVESTMENTS IN CANADA—EXCHANGE OPERATIONS—FOREIGN INDEBTEDNESS

Mr. ELLIOTT (Kindersley):

1. What are the total foreign investments in Canada?
2. What are Canada's total payments to foreign investors in: (a) interest; (b) dividends?
3. What portion of Canada's balance of trade went to pay foreign credits?
4. Is there any control over foreign investments in Canada for: (a) purposes of restriction, and (b) control of exchange operations?
5. Through what agencies is exchange operated (explaining the operations)?
6. Are there any preferential exchange rates to certain importing countries, or is preference given solely by tariffs?
7. How do tariffs, quotas and restrictions effect and/or interfere with purely local trade?
8. Has Canada liquidated any of its foreign indebtedness during the last year or two? If so, how much? Has it increased, and, if so, how much?
9. What is the controlling factor, making necessary, the floating of foreign loans?
10. On whose authority was the last London loan floated?
11. Was it not possible to borrow this money in Canada for the purpose intended?

Mr. DUNNING: In asking that this question stand, I should like the hon member who asks it to review certain portions of it in order to avoid the compiling of what amounts to a textbook by way of an answer. The questions to which I particularly refer are no. 5, "Through what agencies is exchange operated (explaining the opera-

tions)?", and no. 7, "How do tariffs, quotas and restrictions effect and/or interfere with purely local trade?" I suggest that one might write volumes on these two subjects and that they are scarcely proper in their present form as questions on the order paper. Perhaps, if they are allowed to stand, the hon. member will reconsider them.

Question stands.

SILVER CURRENCY AND POLICY RESPECTING PURCHASE OF SILVER

Mr. ELLIOTT (Kindersley):

1. How much silver, in coins, has been returned to the Canadian Mint during the years 1930 to 1937 inclusive, from all sources?

2. What amount of silver coin has been issued in denominations of 5, 10, 25, 50 and $1 pieces, to chartered banks or other agencies during these same years?

3. What are the various reasons for the return of coins to the mint?

4. What is the government's present policy with regard to the purchase of silver?

5. Is there a set price, and what is the set price?

Mr. DUNNING:

1. Worn and mutilated silver coin returned to the Mint:

1930	$401,865 05
1931	377,380 60
1932	393,327 30
1933	331,544 20
1934	924,809 80
1935	896,492 15
1936	394,031 40
1937	376,416 50
	$4,095,867 00

2. Silver coin issued by the Mint:

	$1.00	50c	25c	10c	Totals
1930	....	18,000	164,000	144,000	326,000
1931	....	34,000	212,000	229,400	475,400
1932	....	18,400	134,000	134,600	287,000
1933	....	....	97,000	58,000	155,000
1934	....	19,200	105,100	48,000	172,300
1935	428,120	....	134,400	38,500	601,020
1936	306,100	19,300	242,000	241,800	809,200
1937	240,900	96,000	711,900	273,400	1,322,200
	975,120	204,900	1,800,400	1,167,700	4,148,120

There was no issue of silver five-cent pieces during these years.

3. Mutilation and excessive wear.

4. Other than silver contained in worn and mutilated coins redeemed by the Royal Canadian Mint, the only silver that the government is currently buying is the silver recovered from the refining of gold bullion deposited at the Mint.

5. There is no set price. Under the Mint regulations, the rate to be paid for silver in excess of 1 per cent of the weight of the bullion deposited shall be one cent below the average for the week in which the deposit is made of the daily London quotation for standard silver from Monday to Friday, inclusive, converted into the equivalent for fine silver in Canadian funds at the average of the daily rate of exchange between Montreal and London calculated to the nearest one-eighth of a cent.

[Mr. Dunning.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

ROYAL MILITARY COLLEGE—MEAT SUPPLIES

Mr. LENNARD:

1. Who is supplying the meat for the Royal Military College at Kingston for the year 1937-38?

2. Was the contract for such supply awarded by tender?

3. If so, from whom were tenders received, and what are the particulars of the tender in each case?

NATIONAL DEFENCE—ARMOURIES AND BARRACKS

Mr. MacNEIL:

1. What is the number of: (a) armouries; (b) barracks, under the control of the Department of National Defence?

2. Where are these armouries and barracks situated?

3. What has been the total cost of such buildings with land (exclusive of maintenance and repairs)?

4. What was the cost of maintenance of such buildings during the fiscal year 1936-37?

5. Are all such buildings now in constant use by units of the permanent and non-permanent militia?

NATIONAL DEFENCE—LAND PURCHASES, 1936 AND 1937

Mr. MacNEIL:

1. Did the Department of National Defence acquire any land during the calendar years 1936 and 1937?

2. If so, for what purposes in each instance?

3. From whom were such areas acquired?

4. What cost was incurred in each instance?

MOTIONS FOR PAPERS

ROYAL MILITARY COLLEGE AND BARRIEFIELD BUILDINGS—COAL AND COKE

Mr. LENNARD:

For a copy of all tenders, contracts, bills of lading, letters, telegrams and other documents relating to coal and/or coke delivered to the Royal Military College at Kingston and the National Defence buildings at Barriefield for the winter fuel season of 1937-38.

MASKINONGE RIVER, QUE., PUBLIC WORKS

Mr. WERMENLINGER:

For a copy of payroll lists and invoices of materials supplied for the execution of works on the Maskinonge river at St. Didace, province of Quebec, in the summer of 1936.

COMPANIES' CREDITORS ARRANGEMENT ACT

Mr. STIRLING (for Mr. Cahan):

For a return showing the names and the authorized and issued capital and bonds or debentures outstanding of all dominion companies, which have effected compromises or arrangements with their creditors under the provisions of The Companies' Creditors Arrangement Act, 1933.

NUT MOUNTAIN-HIGH HILL, SASK., MAIL SERVICE

Mr. COLDWELL:

For a copy of all correspondence and petitions relating to the mail service between Nut Mountain and High Hill, Saskatchewan, from October 15, 1935, to date.

NATIONAL PARKS—PAYMENTS TO BREWSTER TRANSPORT CO.

Mr. BENNETT:

For a copy of all contracts, invoices, correspondence and other documents relating to the undermentioned payments on account of Canadian national parks as such items of payment are shown in the auditor general's report for the year ended March 31, 1937, volume II, under votes 172 and 495:

Brewster Transport Co., Banff, forage, $3,984.12 (Part L—98).

Brewster Transport Co., Banff, road oil, $14,313.12 (Part L—98).

Brewster Transport Co., Banff, road oil, $3,996.86 (Part L—100).

Brewster Transport Co., Banff, road oil, $6,677.41 (Part L—100).

Brewster Transport Co., Banff, road oil, $1,382.92 (Part L—101).

Brewster Transport Co., Banff, road oil, $2,142.55 (Part L—102).

Brewster Transport Co., Banff, road oil, $4,460.50 (Part L—103).

Brewster Transport Co., Banff, road oil, $5,391.39 (Part L—103).

BANFF NATIONAL PARK—AUTO LICENCES AND GRAZING PERMITS

Mr. BENNETT:

For a return giving particulars of the undermentioned receipts by Canadian National Parks (Banff) as they appear in the auditor general's report for the year ended March 31, 1937, volume II, at Part L—3, under Canadian National Parks:

(a) Auto licences, in the amount of $36,555.63;

(b) Permits for grazing, in the amount of $274.

Mr. BENNETT: This does not refer to temporary or transient licences issued at the entrances to the parks.

TORONTO ISLAND AND MALTON, ONT., AIRPORTS

Mr. BAKER (for Mr. Massey):

For a copy of all correspondence, exchanged between the ministries of public works, labour, transport, or other departments of government, and the city of Toronto, in connection with the building of the Toronto air ports on the Toronto island and at Malton.

OLD AGE PENSIONS

PROPOSED REDUCTION OF PENSIONABLE AGE LIMIT FROM SEVENTY TO SIXTY-FIVE

Mr. A. A. HEAPS (Winnipeg North) moved:

Whereas it is becoming more and more difficult for older persons to be absorbed into the useful productive life of the dominion thereby being unable to maintain themselves in decency and comfort,

And whereas, Canada is a country richly endowed with natural resources, capable of maintaining our whole population in a reasonably high standard of living,

Therefore be it resolved,—That this house would welcome a government declaration of policy that would bring about an immediate lowering of the present pensionable age limit of seventy years, the effect of such being that the older generation would retire from industrial activity, thereby creating opportunities for the younger generation to be usefully and gainfully employed.

He said: It is just about two years since I introduced a resolution similar to this, and after a discussion which proceeded for the best part of two days, it was discovered that the motion was out of order. This time, however, I have worded my resolution in a different manner, and I hope that it will receive from the government a little more support than was accorded the previous one.

I do not intend to repeat the arguments I used two years ago in attempting to convince the house of the reasonableness of the proposal which I then made. I wish, however, to refer briefly to what I then said. In the first place I contended that if we had a properly planned economic system it would be possible to retire people at the age of sixty and give them a comfortable existence in their old age. I urged that in this country we had an abundance of everything which is required to make life worth while, but that on account of our chaotic system of distribution many of our people, particularly the older ones, were denied the means of a decent existence in their declining years.

At the outset I might give a concrete example of the possibility of having a large part of the population engaged at tremendous cost in activities which are not of a constructive or productive nature. Between 1914 and 1918 there were taken out of productive and useful employment in Canada approximately half a million of the flower of our manhood and our womanhood. They were engaged in destroying wealth; yet in spite of the fact that wealth was destroyed at a rate never known before in history, the rest of the population were able to keep these half million men in a state of efficiency for warfare in Europe. As a result we built up a huge financial debt which to-day is a heavy burden to the country, but I point to the example of the years 1914-18 to show that under certain circumstances we can maintain a relatively large proportion of the population in a fairly high state of military efficiency and still allow for the rest of the population a reasonably high standard of living.

I wish now to deal with some of the objections raised at that time by the Minister of Finance. His main objection was the one which naturally related to finance; he wondered where the money was to come from. That is the cry of every minister of finance, but as I have said in this house on many occasions, under certain conditions there is no difficulty about governments providing funds; if a war should break out or if we required increased armaments there would be no difficulty in providing the required funds for such purposes. It so happens that since the time I last spoke on this question the government has increased the expenditures on armaments somewhere in the neighbourhood of $15,000,000, and there was no question as to where the money was going to come from. I submit that when we raise questions with reference to social advancement we should not be met with that cry about where the money is to come from, for the moment we require money for increased armaments it can be found.

May I make a suggestion to the Minister of Finance. If he is anxious to provide funds for the financing of a scheme of old age pensions at a lower age than at the present time, it might not be a bad idea for him to nationalize two of the outstanding industries of the country—nothing new in the realm of politics so far as other countries are concerned. If he would nationalize the tobacco and the liquor industries the profits from both these sources would go a long way towards providing old age pensions to people who are now under seventy years of age. At the present time the liquor business in Canada is to a large extent under public ownership and control, and it would not be a wide step for the government to make it a complete federal public monopoly and to utilize the profits for the purpose of financing old age pensions at a lower age.

Let me deal with some of the figures submitted by the Minister of Finance two years ago. He stated that the number of persons of the age of seventy and over in receipt of pensions was 28·5 per cent. That figure, I believe, is accurate; but in fairness to the minister himself I suggest that it does not give a perfectly true picture of the exact percentage of persons of seventy and over who would have been entitled at that time to pensions had everybody been under the old age pensions scheme. When those figures were submitted to the house two years ago the province of Quebec had not yet come under the scheme. Since that province has come under it the figure has been increased, so that the percentage of persons over seventy in receipt of pensions from the government is now 37 instead of 28·5 as the minister informed us two years ago.

Mr. DUNNING: It is higher than that now; it is constantly going up.

Mr. HEAPS: It may be; the figures I gave were for one year ago. The minister also stated that the average income of persons of the age of sixty and over was $1,072 per annum. If that was the case, if our older people of sixty and over were in receipt of

approximately $1,072 on the average, then I would point out that there would be no need for an old age pension to people of sixty and over. The problem would automatically solve itself. The fact is, and the statistics will prove it, that a very large percentage of the people of the age of sixty and over are not in a position to maintain themselves at that age and it is because of that fact that I am to-day asking the government to consider very seriously and favourably a reduction in the present pensionable age.

I might be permitted to give a few figures. In 1931 there were 870,428 persons between the ages of sixty and sixty-five, and in 1937 that number had increased to approximately 989,000, an increase of 118,572, according to the latest figures from the bureau of statistics.

In 1931 there were 575,831 between the ages of sixty-five and seventy, and in 1937 there were 653,000 of the same age, or an increase in the same period of 77,169.

In 1931 there were 344,697 persons of the age of seventy and over, and in 1937 there were approximately 397,000, or an increase of 52,303.

Taking the same period, in 1931 there were 1,790,956 persons of the age of sixty and over, and in 1937 there were 2,039,000, or an increase of 248,044.

Our population in 1931 was 10,376,786, and in 1937 it was estimated to be 11,130,000 or an increase of 743,214.

By an odd coincidence the increase in the number of persons of the age of sixty and over works out approximately to 14 per cent, and the increase in population in the same period works out approximately to the same figure. To-day I am going to argue more in favour of reducing the pensionable age to sixty-five than to sixty, because in doing so I have more hope of a favourable reply. The proportion between the ages of sixty-five and seventy who would require pensions would be considerably less than those who require pensions after the age of seventy, in view of the figures which the minister submitted two years ago with regard to average income, and also for the reason that people of the age of sixty-five and over may have certain resources of their own which a person of seventy has not, and in many cases they are able to maintain themselves by their own exertions. For those three reasons I believe the percentage which to-day is about thirty-seven—

Mr. DUNNING: To-day it is over fifty per cent.

Mr. HEAPS: Well, even if it is over fifty per cent we can work it out on the same basis. Taking that basis, the percentage of those between the ages of sixty-five and seventy requiring pension would be considerably less than for those aged seventy and over.

Mr. DUNNING: I wish I could agree with that.

Mr. HEAPS: My logic leads me to that deduction. I wish now to deal for a moment with the question of pensions in other countries. I think practically all countries have systems of old age pensions in one form or another. First I shall deal with the newer scheme inaugurated in the United States; for I want to compare what is being done in other countries with what we are doing in Canada. I think that is a fair test in a question of this kind.

Under the recent social security legislation of the United States some 37,000,000 persons become subject to the old age pension provisions. But the act in the United States is not on the same basis as we have it here; it is entirely on a contributory basis. The employer pays so much, the employee so much, and contributions are made by the state government and the federal government. The federal government contributes half of what the state government provides.

Mr. DUNNING: Half of what the individual state provides.

Mr. HEAPS: Yes.

Mr. DUNNING: That is the reverse of our situation.

Mr. HEAPS: I shall deal with that, but first I want to show the systems in force in other countries. From the fund established by the governments in the United States the pensioner receives in proportion to the amount he pays in. The more a man pays into the fund the more he takes out when he reaches the pensionable age. But there is a minimum as well as a maximum pension. No man receives less than $10 a month by way of pension, and none receives more than $85 a month, no matter how long he has paid into the fund. There is this difference in favour of our system. Twenty dollars a month may look small compared with what they pay even to-day in the individual states of the union, but theirs is now in part on a contributory basis and ours is on a non-contributory basis and is a charge on the taxpayers as a whole. So I find this important distinction, that whereas in the case of a married couple we pay a maximum of $20 a month both to the husband and to the wife, in the United States only one receives a pension; that is, if the wife has not paid into the fund, the only

pension receivable by a couple is the amount the husband receives, be it $10 a month or $80. I think that is to the advantage of our system. The system in the United States is a complicated one. I could go into it at some length, but the one fact I want to emphasize is that pensions there are payable at the age of sixty-five. In fact to-day sixty-five has become recognized as pensionable age in practically all parts of the world.

I turn now to the old country, where they have had old age pensions for about thirty years. They started there to pay pensions at age seventy, on a non-contributory basis. Some years ago the basis was changed and made contributory in the case of persons who wish to receive pension between the ages of sixty-five and seventy. But pensions are payable to-day in the old country at the age of sixty-five.

Mr. DUNNING: Provided the pensioner has contributed.

Mr. HEAPS: Yes, between sixty-five and seventy it is on a contributory basis, but over seventy all pensions are a charge on the imperial exchequer. What I point out is that they have accepted sixty-five as the pensionable age.

I now turn to some of the other British dominions. South Africa, which established a system of old age pensions at about the same time as we did, inaugurated their system on a non-contributory basis, and pensions are payable at the age of sixty-five. There seems to be a tendency toward unanimity as to sixty-five being the age at which people should retire from industry. In addition, in some of the schemes to which I have referred, as well as one or two others, the regulations are not as stringent as those which prevail in Canada. I do not intend, however, to deal with that aspect. Australia also pays pensions from the age of sixty-five, and in case of incapacity the pensionable age is reduced to sixty. There also it is on a non-contributory basis. The age has been sixty-five almost from the inception of the system. In New Zealand the situation is somewhat the same. The pensionable age is sixty-five—I believe it is sixty for females—and pension is granted there without the application of nearly as many regulations as apply here.

Mr. BENNETT: They have no provinces.

Mr. HEAPS: I am not thinking of the provinces. I am thinking of the amount of income outside of the pension that is allowed, the amount of property a person is allowed to possess without being asked to sign it over to the government as collateral for the pension received. These regulations are less stringent in most of the countries I have referred to than they are here in Canada. But what I want to stress again is that in all these countries sixty-five is accepted as a pensionable age, and in many cases even a lower age is accepted for persons suffering from permanent incapacity.

If it is possible in the sister dominions to have non-contributory old age pensions granted to people at sixty-five years of age, there is no reason in the world why we cannot do the same in Canada. As the leader of the opposition (Mr. Bennett) pointed out, they have no provinces.

Mr. DUNNING: Can the hon. member tell us the proportion paid by the individual states in Australia?

Mr. HEAPS: I think in Australia it is now entirely a federal responsibility. For some years, until recently, it was partly a state responsibility, but while I am subject to correction I believe that to-day it is a federal responsibility in Australia.

In another part of my motion I say that if people between sixty-five and seventy were pensioned, it would release quite a number who to-day are working but who if they were in receipt of some form of economic security would be glad to retire and allow others to take their places in industrial life. I know it might be said with a good deal of force that with a pension of only $20 a month it would be difficult to induce men to retire, but in the case of two people—

Mr. DUNNING: It is hard to get them to retire where the pension is two or three hundred dollars a month.

Mr. HEAPS: That may be so in the civil service.

Mr. DUNNING: In every service of which I know.

Mr. HEAPS: As a rule the people who hold those fairly well paid positions are not very anxious to retire, but if you offer a greater inducement to a carpenter or bricklayer—

Mr. DUNNING: Or an engine driver or a fireman.

Mr. HEAPS: Yes; you offer those people a reasonable pension and you will find that there will be no difficulty in getting them to retire at a reasonable age.

Mr. DUNNING: That has not been the experience with pension schemes in industry.

Mr. HEAPS: But what I am saying, Mr. Speaker, and the argument I think was placed before the government by the trades congress, is that if $20 a month, or $40 for a couple,

should not be sufficient to induce people to retire, I would have no objection and in fact would welcome it if the Minister of Finance would increase that pension to an amount which would be sufficient to induce people to retire.

Now we come to our youth problem, which is bound up with this question to a certain extent. The youth question cannot be ignored; for to-day we have the youth of our country walking the streets or with very little to do. To me it seems illogical and absurd to have young men in their late teens and their twenties walking the streets while our older people are engaged in industry, or are unable to perform the duties of the positions they hold. The question of incapacity, which I have raised, is a very important one and cannot be ignored. When the minister considers the cost of any pension scheme he cannot figure it entirely on the basis of mere dollars and cents. There is also a credit side of the picture. At the present time, persons of sixty-five to seventy years of age who probably would come under a pension scheme, if they are not in a position to earn their own livelihood, are being maintained by someone else. If their own relatives or friends are not in a position to do so then these people become the recipients of public relief. It does occur to me that when a man or a woman who has lived in this dominion for twenty, thirty or forty years, and has given the best years of his or her life in developing and building up the country, reaches old age, he or she should be entitled to some form of recognition from the country for the services that have been rendered. I believe that when the average person, be he a mechanic in any sphere of activity or be he a man who works in a store or a warehouse, has given thirty or forty years of his life in devoted service to his country he is just as much entitled to a pension as is the soldier in the army or the judge who sits on the bench. I think there should be recognition of the services that have been rendered, though they may have been rendered in very different capacities.

Mr. BAKER: I do not want to interrupt my hon. friend, but the act does not read that way. A man need be in Canada only twenty years, and on reaching the age of seventy he can get a pension. In my opinion that is the one weak point in the act.

Mr. HEAPS: When a person reaches the age of sixty-five or seventy he has probably worked very hard for perhaps thirty or forty years.

Mr. BAKER: According to the act as it stands now, a man could have come from Germany at the age of forty-nine years and eleven months and upon reaching seventy he is eligible for an old age pension, although he gave the best of his life to Germany. I took exception to that when the act was introduced.

Mr. HEAPS: I think there are similar provisions in every old age pension act in the world, including those of this country and of Great Britain. It is the case, so far as I know, wherever you have an old age pension act in force.

The problem of old age is becoming an extremely serious one, because I think it is recognized that through advances in medical science and scientific research people to-day have a greater life expectancy than they had a few generations ago. The average expectancy of life is now approximately fifty-eight years, which is about twenty years more than it was a few generations ago. I have figures which show that at the present time there are in Canada more than two million persons of the age of sixty and over, which means that approximately twenty per cent of our total population come within that category. That means that the problem of old age is becoming even more important than the question of unemployment. A man who reaches the age of sixty and becomes unemployed finds it extremely difficult to obtain employment. In fact men are sometimes laid off when they have reached the age of fifty, because it is considered that even then they are too old. A man of sixty or sixty-five has absolutely no opportunity of obtaining employment.

Mr. DUNNING: I think my hon. friend's figure of two million must be wrong. I do not want to interrupt him, but I do not want him to base his argument upon a false premise.

Mr. HEAPS: I may say that I obtained my figures very recently from the bureau of statistics. I accepted them over the phone. I may have got them incorrectly.

Mr. DUNNING: Will my hon. friend permit me to interrupt for a moment? I have here the figures by provinces of the number of persons over sixty but under seventy. The aggregate of those in the whole dominion is 591,600. Then I have the number of persons seventy years of age and over, which is 396,900. Adding those figures it will be seen that at the present time in the Dominion of Canada there are less than one million persons over sixty years of age.

Mr. HEAPS: Over sixty and under seventy?

Mr. DUNNING: No, taking those over sixty and under seventy and adding the number of those over seventy.

Mr. HEAPS: The information I have clearly indicates that in those categories we had the number of people I mentioned, but I stand of course subject to correction.

Mr. DUNNING: Over two million?

Mr. HEAPS: Yes, 2,039,000. I am sorry if the figures are not correct, but I have them here exactly as I received them. Possibly I got the wrong set of figures.

Mr. DUNNING: I have two sets of figures by provinces, those between sixty and seventy and those over seventy, and in all there are just short of one million of these people.

Mr. HEAPS: I should think it would be strange if there were only a million in all those categories, because we have nearly four hundred thousand over seventy. My figures, from the bureau of statistics, show 397,000 people over the age of seventy. Surely if that is so, there must be a very much larger number between sixty and seventy.

Mr. DUNNING: Yes, 591,600.

Mr. HEAPS: That hardly sounds reasonable to me.

Mr. DUNNING: I have all the provinces separately.

Mr. HEAPS: Perhaps we can adjust this matter later on. Time is getting short, and I do not wish to dwell upon that aspect of the question; besides, if the minister is correct in his figure as to those between sixty and seventy it becomes so much easier for him to be a little more sympathetic this afternoon then otherwise he might have been.

Mr. DUNNING: I knew I was taking the risk that my hon. friend would make that reply, but I could not be more sympathetic than I am.

Mr. HEAPS: May I now deal with one aspect of the question concerning which I have received a large number of communications. Some people believe that if we reduce the pensionable age we may weaken what we commonly describe as filial responsibility. I have strong convictions on that point. I feel that when a mother or a father has reached old age, the child capable of maintaining or assisting in maintaining his aged parents in a state of decency and comfort, should do so without compulsion. I should not like to see anything done here by way of legislation which would weaken the responsibility of the child towards the parents. Children are better able to maintain parents who are between the ages of sixty-five and seventy than they are when they, as well as the parents, reach an older age. In any measure brought before the house I should be quite prepared to support some provision by which proper attention would be given to the question of filial responsibility.

One of the tasks of the house should be to lighten the load of the older people. I think the time of the government would be well spent if it took into consideration more seriously than it did two years ago the question of reducing the pensionable age. I recall the words of the Prime Minister at the time the government was about to take office. On October 14, immediately after the election results were known, he made the following statement:

> The struggle for the rights of the people, will, in the realms of economic liberty and security, be carried on as never before. Poverty and adversity, want and misery are enemies which Liberalism will seek to banish from our land.

Some hon. MEMBERS: Hear, hear.

Mr. HEAPS: I am glad to hear some hon. members say "Hear, hear." I should like to have that expression of concurrence in the sentiments of the Prime Minister, as he stated them immediately after the election, put into concrete action. This is the third session of the present parliament. If this parliament runs the usual length there will be one more session. Up to this time, in these three sessions, with one exception—pensions for the blind—no action which would give the people a greater sense of economic security than they had at the time the statement of the Prime Minister was made can be credited to the government.

I am one who wants to see the purpose behind that statement carried out. I believe the government could do nothing better than to give concurrence to the resolution I have presented, in which I ask the house to do exactly what was promised by the present Prime Minister. It would bring about a sense of security to the old people in Canada. The letters I have received, the majority of which, strange as it may seem, come from rural centres, are most pathetic. They urge that something be done for the older people. We in Canada are lagging behind all English-speaking countries in our activities in respect to bettering the social and economic lot of the common people. I believe—and the facts prove it—that so far as looking after the well-being of our people is concerned, we are the most backward of any English-speaking part

of the British Empire. In many countries pensions are given at the age of sixty-five, and in some at sixty, while in Canada the pensionable age stands at seventy. It cannot be denied that social legislation in other parts of the empire is far more advanced than anything we have here, because the legislation they have enacted speaks for itself.

It is my wish that we may be not a backward but a forward nation. I should like the government—I do not care who does it—to take a step forward and to enact legislation which will give hope and encouragement to the great masses of our people. They are looking for something definite from the government and, so far, everything has been indefinite. I am making a plea to the government to reduce the pensionable age from seventy years to sixty-five years, so that we may take care of those older people who are no longer required in industry, and who have no hope of finding employment. I should like to see a message of hope go out from the house this afternoon to that part of our population, so that at least they may have the encouragement of knowing that in the near future they will be placed upon the pension lists and in their declining years may enjoy at least some form of economic security which, through no fault of their own, they are now denied.

Mr. BAKER: Is the hon. member aware of the fact that as the act stands at present a man has only to live in Canada twenty years to receive the old age pension at seventy? A man may come from Europe when he is more than forty-nine years old, and almost worn out physically; yet at the age of seventy he may receive a pension. Does the hon. member agree that if the limit be reduced to sixty-five, that provision should be changed? I believe it is the defect in the act.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, in opening my remarks on the motion of the hon. member for Winnipeg North (Mr. Heaps), which I most wholeheartedly support, may I say that the point raised by the hon. member for Eglinton (Mr. Baker) is not an important one so far as the resolution is concerned. If people are coming to Canada at an age when they are burnt out, that defect can be looked after simply by refusing them entrance to the country, by tightening our immigration laws. But once we have let them in here, discrimination as between citizen and citizen should stop.

Questions respecting old age pensions and other social measures are being forced upon the governments of all countries. Social questions may not be the fault of governments; they arise out of economic development. The fact is, however, that in every country of the world questions have arisen with which, whether they like it or not, governments have had to deal. As the hon. member for Winnipeg North has said, Canada has lagged behind most other countries in respect of social legislation.

So far as I have been able to learn, the matter of paying old age pensions was first discussed in the Canadian parliament in the session of 1906. The matter was raised by Mr. R. A. Pringle, who at that time was the member for Stormont. However, nothing came of that discussion. On May 1, 1922, the question was again raised by Dr. J. E. Fontaine, the Liberal member for Hull, who moved the following resolution:

> That, in the opinion of this house, the dominion government should consider the advisability of devising ways and means for the establishment of a system of old age pensions in Canada.

Two years later on April 29, 1924, the then Prime Minister, who is also the present Prime Minister (Mr. Mackenzie King) moved:

> That a special committee be appointed to make an inquiry into an old age pension system for Canada.

A committee was appointed and it reported in favour of an old age pension scheme. The most important recommendations of the committee were that old age pensions should be paid at the age of seventy years, that the maximum rate of pension should be $20 a month, and that half the cost should be borne by the provincial governments, the federal government assuming the other half. Another two years passed before the government, under a little judicious prodding, introduced an old age pension bill.

It will be seen from reading the debates in Hansard of that year that the bill got rather a hostile reception. Although that was not so very long ago, some of the speeches make curious reading to-day. This indicates how fast we are moving at the present time and how economic changes bring about changed social conditions. The bill passed the house but was defeated in the senate. In the following year another bill was introduced which passed both houses and became law, just twenty-one years after the question was first raised in parliament. This is not very fast progress.

I believe British Columbia was the first province to take advantage of the new act. I understand its legislation was passed before the federal act came into operation. Now I submit that the time has come for a revision of the old age pension scheme as provided in

the act of 1927. I am sure there are few people in Canada to-day, not even those who were opposed to the scheme when it was placed on the statute book, who would advocate the repeal of the Old Age Pensions Act. In the distressing times through which we have been passing during the last seven or eight years this act has brought comfort to thousands of people who in their declining years found themselves in need, in most cases through no fault of their own.

However, I think it must be conceded that under present conditions the age limit of seventy years is far too high, and the maximum pension of $20 a month is altogether inadequate for a decent standard of living. It is not enough on which to live and it is too much on which to die. It is sufficient to prevent immediate starvation, but not sufficient to prevent progressive deterioration of health from malnutrition and the lack of certain essential comforts. It should be clear to anyone who has made a study of this subject, or who has come in contact with people living on old age pensions, or people who have not quite reached the age when such pension is obtainable, that it is high time the age limit was lowered and the amount of the pension materially increased.

I think the time has come when many of the annoying regulations imposed by some of the provinces should be removed. I understand it is a fact that in some provinces old age pensioners receive only the amount paid by the federal government. I notice the Minister of Finance (Mr. Dunning) shakes his head.

Mr. DUNNING: I am sure my hon. friend wants to be accurate. The federal government pays seventy-five per cent of what the province pays.

Mr. MacINNIS: That was a misunderstanding on my part. I would say then that in certain provinces old age pensioners are paid only $15 instead of $20. That would amount to pretty nearly the same thing.

As I said, Canada seems to have lagged behind in the matter of social legislation. We shall have to move faster in the future than we have done in the past if we want to be considered one of the world's progressive nations. I appreciate the fact that because of certain conditions in this country we did not see the need or possibly the need was not there. It is also a fact that people do not like to change by leaps and bounds. Man is by his nature conservative and it is only when circumstances become unbearable that people are prepared to move regardless of consequences. This is a fact that should be kept in mind by governments and legislators. More and more of our people are to-day reaching that state where they feel they have nothing to lose. Consequently, more and more of them are reaching that state where they do not care what action they take, provided that action gives promise of quick relief from some of their difficulties.

Speaking as one who has had close contact with many people receiving old age pensions—I come from an almost one hundred per cent working class constituency—I can say that these pensions have been of great value to the people of this country. Inadequate as they are, there is no doubt that they have brought some comfort and happiness and a certain measure of security and even a certain measure of independence to many old people. I hope this parliament will see its way clear to increase that security and thereby to enhance the independence which people value so much—people who have served their day and generation well but who, in the evening of their days, find themselves in straitened circumstances.

One outstanding fact in connection with old age pensions is that no country which put an old age pension law on its statute books has ever repealed it. The general tendency is toward liberalizing old age pension legislation, once it is enacted. I have examined statistics on the subject published by the international labour office, and I should like to quote some facts giving the ages at which these pensions are payable in most of the important countries of the world.

In Austria men qualify at sixty-five and if permanently incapacitated they qualify at sixty. Women are eligible at sixty. In Belgium—

Mr. DUNNING: Would the hon. member be good enough to indicate in each case whether the scheme is contributory or non-contributory?

Mr. MacINNIS: I may not have the information segregated here as to contributory and non-contributory schemes, but my opinion is that in most cases they are contributory.

Mr. DUNNING: They are practically all contributory, I believe.

Mr. MacINNIS: In Belgium, men qualify at sixty-five and women at sixty. In Bulgaria, both men and women are eligible at sixty. In Sweden, men and women qualify at sixty-seven. May I point out that the old age pension in Sweden is compulsory at this age.

In South Africa, the age is sixty-five.

In the U.S.S.R. men qualify at sixty and women at fifty-five. There is a still lower qualifying age for persons working underground or in unhealthy occupations.

In the United States the age in twelve states is sixty-five, and in fourteen states the age is seventy; in one state the age is sixty-eight.

In Czechoslovakia, both men and women are eligible at sixty-five.

In Denmark the age is sixty-five, but under certain conditions old age pensions are paid at sixty.

In Hungary, both men and women are eligible at sixty-five.

In New Zealand, men are eligible for old age pension at sixty-five and women at sixty.

In Poland, sixty-five for both men and women.

In Roumania, sixty for men and women, but the age is lower for underground workers.

The following countries have a lower age for women than for men.

In Austria, women qualify at the age of sixty, men at sixty-five.

In Belgium, women qualify at the age of sixty, men at sixty-five.

In the U.S.S.R., women qualify at fifty-five, and men at sixty.

In Australia, women qualify at the age of sixty, men at sixty-five.

In New Zealand, women qualify at the age of sixty, men at sixty-five.

One of the very first acts of the labour government of New Zealand when it came into office in 1935—

Mr. EDWARDS: Would the hon. member permit a question? Just what did he mean when he said that in Sweden the old age pension is "compulsory"? Does he mean that everyone, whether he requires it or not, is compelled to receive it?

Mr. MacINNIS: My understanding of the old age pension law in Sweden is that everyone contributes to the old age pension scheme; it is automatic and the pension is paid automatically when the prescribed age is reached. The pension is in various parts; there is a contributory pension, and if the contribution is not sufficient to make the pension such as to provide a decent living standard, the necessary amount is paid from the general fund by the government.

Mr. EDWARDS: The answer, then, is that everyone contributes?

Mr. MacINNIS: Everyone contributes. I believe that within certain limits the contribution is proportionate to income. There is a low limit and there is a higher figure.

I should like to read to the house from a statement made by the Minister of Pensions of New Zealand when he introduced the government old age pension scheme in the first session after the election of 1935. I quote this because the approach is so different from that usually made in this country. The quotation is from the New Zealand parliamentary debates—the New Zealand Hansard, I suppose—of September 1, 1936:

> All social legislation, and especially that providing for pensions, is a recognition by the community of the fact that the recipients of the pension have in a very large measure been responsible for the development of the country and the vast accumulations within it. One of the points to be recognized is that such allowances made by the younger generation to their forebears are by no means a charity but in reality a recognition and a return to them of what they themselves have put into the nation. They have no reason to feel that they are placed under any obligation in respect of what they receive under this head. The pension is given to the old people as I have said as a recognition by the community to those who in the past have rendered service to their country as citizens.

Let me stress this: "They have no reason to feel that they are placed under any obligation in respect of what they receive under this head. The pension is given to these old people, as I have said, as a recognition by the community of the services they have rendered in the past to their country as citizens." In this country we already pension some of our citizens, in some cases possibly beyond the value of the services they have rendered. If we are to pension a few for the services they have rendered as citizens, why should we not pension all citizens for their services?

Continuing, Mr. Parry said:

> That principle distinguishes the human animal from the animal kingdom. If we look at the home we do not find there that those children who are able to work say to the weaker or to the invalid members of the family that they are not entitled to the same food, clothing, and conveniences as those who are strong and capable. On the contrary all that is best is conceded to the invalid or the crippled member of the family. Of such a sentiment we are very proud. And if that is a good policy in the home it is equally good in the larger home—the nation.

Until we consider the nation as a larger home, a home where the weak are protected, not exploited, we shall not have a country of which we can truly say that it is civilized, because such protection is the hall-mark of civilization.

The Prime Minister, when he introduced the Old Age Pensions Act in 1925—at any rate

when he discussed the subject—made the following statement on page 1980 of Hansard of that year:

> There is need for society to assist in the protection of its members against a condition which simultaneously places burdens upon the workers whose day's work is done, and on the worker whose day's work is just beginning. If the young are to be given a fair start in life the care of the aged should not be their first responsibility.

In my own province of British Columbia, as I believe in others, before they can obtain an old age pension under the provincial regulations, parents are compelled to sue their children, even though they know that those children are unable to contribute to their support.

Because of economic changes it is becoming increasingly difficult for people getting up in years to find employment. Indeed, it is not only difficult for them to find employment; it is difficult for them to keep it when they have it. That power production and the use of machinery displace man-power is no longer disputed. The extent to which employment lags behind increased production in all countries to-day clearly demonstrates that fact. There is, however, another point that is not so well known and that is that power-driven machinery not only displaces workers in industry but also reduces the quality of the labour which is left. In other words, power-driven machine production not only reduces the aggregate number of workers in industry but displaces a number of skilled and experienced workers by a smaller number of unskilled workers. Both these points were brought out clearly in the evidence given before the Turgeon textile commission in 1936. One witness, Mr. W. J. Whitehead, of Associated Textiles of Canada, Limited, gave the following evidence as reported at page 1081:

> Q. So that we come to the conclusion that since 1928 the proportion of labour in the output of the company has been reduced from about 32 per cent to 20 per cent?
>
> A. I have agreed to that.
>
> Q. Now I suggest to you that your rates of wages are much lower now than they were in 1928?
>
> A. We have not denied that.

If the rate of wages is lower and production is higher with a smaller number of employees, then there is bound to be some economic dislocation and there are bound to be a number of people who cannot be looked after, people who cannot obtain income direct from industry. If they cannot get an income direct from industry there is no other source from which they can get it, unless it is provided by the state; and the state can get it only by taxing it out of industry.

In the brief submitted by counsel for the commission, we find the following:

> The industry is responsible for those conditions. In its evolution it has enhanced the number of low positions to the detriment of the higher ones. Some years ago, each one hundred looms occupied ten weavers with few or no helpers. To-day the same number of looms occupies two weavers, three battery-hands and one oil-cleaner, perhaps two. Eight major jobs were replaced by four or five minor ones.

This substantial evidence goes to prove the point I have just made, namely, that machinery not only displaces workers, but also displaces skilled and experienced workers for mere machine-tenders. In other words, more products are turned out with fewer and cheaper labourers.

Let me quote one other statement from the same source. This is taken from the brief submitted by Elie Beauregard, one of counsel for the commission. From page 130 I quote the following:

> The large Wabasso factory, which is no exception, succeeded between 1928 and 1936, in more than doubling its production, while reducing the number of its workers by about one-fourth and its payroll by about one-third.

If the Minister of Finance is at a loss to know where to get money, that should suggest where it can be had. This is not a condition that is peculiar to the textile industry; it is more or less true of all industries in which power machinery is used. Perhaps the textile industry was more ruthless or had more and better opportunities of doing as it pleased. I do not know; I am merely quoting these cases to show the unmistakable trend in industry to-day, a development that is making it increasingly difficult for people of forty and forty-five—not people of sixty, and sixty-five and seventy, but people of forty and forty-five—to get a footing in industry and to keep it when they have got it.

Let me give another quotation from the chief counsel. In his brief to the same commission he makes this statement at page 7:

> More often than not when the worker has reached the forties a forced lay-off, through fatigue or illness means the end of his employment.

He may leave the factory because of a cold, because of some slight indisposition, but he is getting up in years and is no longer as agile as he once was, and what industry needs to-day is not the skilled worker but the agile machine-tender.

> The last to be called when the men go back to work and the first to be released or put on short time the old employee who has not known how to make himself indispensable falls victim,

now to a new distribution of work, now to the introduction of improved machinery and, usually, to the competition of those who are younger and more fit. The career of the textile worker is short-lived; it begins early and comes to an early end. The problem of the middle-aged worker is a universal one.

I am not suggesting that we should pension people at forty-five, but I am suggesting as earnestly as I possibly can that this government should do something for people who have reached the age of sixty or sixty-five, those who have reached sixty and are not yet seventy. Have you ever stood before the employment office and watched women of sixty and sixty-five on a cold, wet morning—and I am thinking of my own city of Vancouver—coming up to the office and waiting until it opens? There is no more heartrending spectacle than that, and yet we have it in every city, in every town of this rich dominion.

I would stress this point in regard to what is taking place because of machinery. I am not blaming governments, because governments have very little to do with the development of economic means. These things develop either with, or in spite of governments. I saw the point put very clearly indeed, and very neatly too, in a book which I read a few years ago and which came to my mind when I was considering what I would say on this question. The title of the book is The Economic Consequences of Power Production; the author, Fred Henderson, a fairly well-known English economist. On page 49 he said:

> The handicraftsman has, as it were, been split up into three parts. The physical energy which he contributed to production has been superseded by the new gigantic powers: his operative skill has been superseded by the precision of mechanism, and his craft knowledge has become the technician's specialized knowledge of the reactions between these non-human factors and the materials of his particular industry. Thus the craftsman completely disappears; and what the power machine industry requires by way of labour is an altogether new function for which there was no counterpart quality in the handicraftsman at all. The mass of the workers called into existence by the new conditions as machine minders are an entirely new type, concerned neither with the technique of materials nor with the productive purpose of the machine in relation to a finished commodity, but only with the movement of the machine as a thing in itself; and with that movement only at second hand; not by effecting it directly, but by attending to the controls which admit and regulate the effective power.

That I think puts it so clearly that nothing further need be said regarding it.

Sometimes we are told that we are asking too much of government and of the state. Personally I do not agree with that. But the question cannot be decided yes or no until we settle what is the function of government, and why it came into being. If government is something superimposed upon the people, the government of one class by another, then the government may object and say that too much is asked of it. If on the other hand government is, as I think it should be, an instrument of the people for doing for the people collectively what cannot be done by the people individually, then there is no limit to what the people may ask their government to do. To set a limit in such case would be to set a limit to progress. Questions which come before this house from day to day, a number of which have already been discussed this session, are relentlessly driving home to us the social implications of the changes taking place in the economic system under which we live. It is becoming ever more evident that the more we produce with the socially operated machinery of industry, finance and commerce, the more it is impossible for the individual to provide himself with either comfort or security. It may be said that in our working years we should provide for our old age. But to-day that is foolish, because not even a man in his prime can provide for himself. What nonsense, then, to ask him to lay by something to provide for his old age!

I made inquiry of the civil service commission as to the age factor in employment, and I am told that in the lower grades they do not take on applicants over the age of thirty-five. If the government of Canada will not take on people over thirty-five years of age because they cannot get value for the money they pay, how can we expect industry operating for profit to take on people over that age? The director of unemployment relief in Vancouver said recently, in reporting to the council, that most of the heads of families unemployed at the present time who are over the age of fifty-five would never work again. They are unemployable, and have become so because of being unemployed for three, four or five years. If people are unemployable at fifty-five years of age, we should make more scientific provision for their care than unemployment relief.

Thinking of old people I am continually reminded of a poem by Robert Burns; "Man Was Made to Mourn":

> Look not alone on youthful prime,
> Or manhood's active might;
> Man then is useful to his kind,
> Supported is his right;
> But see him on the edge of life,
> With cares and sorrow worn;
> Then age and want—oh! ill-matched pair—
> Show man was made to mourn.

We have not yet found a formula to extend old age, and I hope we shall not until we find a formula to make it more comfortable. But there is no reason except sheer stupidity why in this dominion, a country so richly blessed with almost everything necessary, we cannot make existence comfortable for all in their old age or those for whom we cannot provide profitable employment. At the present time in every city there is a considerable number of persons between ages of sixty-five and seventy on relief. And those on relief who have reached the age of fifty-five or perhaps fifty and who have been unemployed for any considerable length of time will certainly never work again. It would be a humane act on the part of this government to take these people off relief and give them an old age pension. It is sad to see these people waiting in line for their vouchers or relief in whatever form it is given.

The amount of the old age pension should also be increased. That is imperative. I hope the government will give this matter very serious consideration and before this session is over do something that will bring a greater measure of security and independence to people who have reached the age of sixty or sixty-five and can no longer find profitable employment. And let us do it in such a way as they have done it in our sister dominion of New Zealand, so that it is not charity, but returns to them a part of what they themselves have already put into the country.

Mr. L. A. MUTCH (Winnipeg South): I welcome the introduction of this resolution because it gives me an opportunity to express in a few words some thoughts which have been in my mind for the past three years in connection with the age limit for old age pensions. I represent a city constituency of which a large proportion of the people are employed by either the two great railway systems or the department stores and other institutions where the rule of retirement at the age of sixty-five has become almost absolute. Even in the civil service this rule is recognized by the enforced retirement of civil servants at the age of sixty-five.

One of the problems I have had to face time after time in the last three years has been that of the gap between the age of sixty-five and the age of seventy, when the old age pension comes into effect. For a moment or two I should like to speak to the house about the situation of the railway men in my constituency—and I imagine the situation is the same in every other constituency—with respect to old age pensions. During the last five or six years these men, particularly shop men but also men engaged in the running trades who did not have a great deal of seniority, were very fortunate indeed if they were working sixteen or eighteen days a month, and many of them for periods of months had no employment at all. These men, who are coming now to the age of sixty-five, were caught at a time when the average man was completing the buying of his home and providing for the education of his children, a period during which he was under great expense. Many of these people are now bankrupt at the age of sixty-five, and they find themselves approaching this gap between sixty-five and seventy. Many of them to my knowledge within the last two or three years have had to go on direct relief, or in the alternative they have been thrown upon the kindness of their children, who in many instances are completely unable to provide anything like adequate care for them. It does not seem good enough to me that men and women who have served as these men have, not only in this particular occupation but in many occupations, should have to face that difficulty.

I do not propose to enter into a discussion of the cost of lowering the age from seventy to sixty-five, and at this time I think I should refrain from discussing whether or not it might be advisable to introduce the principle of contributions to old age pensions, because as yet we do not know what is proposed with respect to unemployment insurance. It has been a dream of mine, or should I say a thought of mine, that perhaps when we reach the point of working out an unemployment insurance proposition it may be possible to have something of a joint nature worked out in regard to old age pensions and unemployment insurance. So I am prepared to wait a little longer to find out what is going to be done; but I should like to urge upon the government at this time the claims of these people, not only those who have not worked at all but particularly those who have been on part time at greatly reduced wages during the last six or seven years, and who are now approaching the age of sixty-five. Frankly I do not know what their numbers are, even in my own constituency; but I do know there are many of them, and it might be that the government could in this way better than in any other contribute to the relief of the older unemployed.

I am not one of those who are greatly impressed with the idea that if we lop off ten thousand workmen at the age of sixty we shall be putting on another ten thousand workmen at the age of nineteen or twenty. I have yet to be convinced that by taking

a man off the top and putting another man on at the bottom you increase the number of jobs. I agree with those who say that it is better that the younger generation should have some greater opportunity to obtain work. Just at this point I might say that I have personal knowledge of young men of more than average ability, with more than average determination to do anything or try anything, who have reached the age of twenty-six years without having earned a dime working at a regular job. I realize something of the implications of such a situation, and it may be that something might be achieved by transferring jobs, but I do not think it is at all workable as a solution to the problem of unemployment.

I am grateful for this opportunity to say how great I believe the need is for a reduction in the age at which a person may qualify for the old age pension, but even so at the moment I would not advocate that this age should be less than sixty-five. I have said time and again in the last two or three years, in private conversations, and on the public platform, that the position to-day of the man who is fifty years of age and unemployed is practically hopeless with regard to his chance of ever getting back into the occupation which he formerly held. But while I realize that, I am not prepared to advocate that he should become a public charge or even that he should be placed on an equal footing with others with respect to any government scheme of assistance such as the old age pension. However, in my opinion this is the time to make a change, and I believe the way to make the change is to reduce the age to sixty-five, when in our own service we admit that sixty-five is a fit and proper age at which to retire.

Mr. DUNNING: Perhaps my hon. friend will permit me to say that in the service a man may retire at sixty-five but retirement is not compulsory until he reaches the age of seventy.

Mr. MUTCH: All I can say in reply to my hon. friend is that on one or two occasions, when on compassionate grounds and where there was justification, I have been desirous, much against my general inclination, of having a civil servant retained for a year or two beyond the age of sixty-five, I have not been received with any great enthusiasm on the part of the ministers of the crown with whom I have had to deal.

Mr. DUNNING: I was merely stating the law. So far as the government is concerned, the retirement of a civil service employee is not obligatory until the age of seventy. The government has the right to retain by order in council the services of an employee until the age of seventy.

Mr. MUTCH: It has become recognized in practice by the government that it is undesirable to expand the tenure of office of civil servants beyond the age of sixty-five.

Mr. DUNNING: Yes, as a general principle.

Mr. MUTCH: I am not particularly anxious to labour that point. I merely wish to establish the fact that we do recognize that in this day and generation sixty-five is the age of retirement. All that I said a moment ago with regard to the railway men, with whose case I have come in close contact, is equally true of men employed in business generally and of men who work for others, in stores and other places, the so-called white collar class of workmen, who must always work for somebody else. They find it very difficult to retain their jobs after the age of sixty-five. The number of those who do is infinitesimal, and the number of people who at sixty-five are in a position to maintain themselves is also very, very small. Some little time ago—and I am sorry I do not have the document with me to-day—I read a table prepared by the statistical department of a life insurance company doing business in Canada, which showed the number of men who are independent at the age of sixty-five. That number was sufficiently small to impress anyone with the necessity for some adjustment in this matter.

While I am in entire sympathy with the aim of this resolution, I would have found it much easier to support the motion had I read it on the order paper and come immediately to a declaration of my views in this regard. However, the resolution does not urge upon the government any immediate expenditure; it calls only for a statement of policy, and I should be inconsistent with my own expressed views if I did not say that I am in sympathy with this resolution in so far as it does bring to the attention of the government, what I think should be brought to its attention, namely the necessity for some change, and I welcome it on that account.

Mr. E. J. WERMENLINGER (Verdun) (Translation): Mr. Speaker, two years ago I rose in this house to say a few words on an almost identical resolution moved by the hon. member for Winnipeg North (Mr. Heaps). On that occasion I said that, representing an industrial constituency, I had a clearer understanding of the problem of those who depend on factory employment for a living and that it

would be better to create employment by means of public works undertaken either by the state or by private industry.

Two years have passed and we are now at the third session of the eighteenth parliament. I give full credit to the Minister of Labour who has done his utmost to see that every part of the dominion received its share of public works. He has given its due share to the constituency which I have the honour to represent. If he recollects the visit he paid to Verdun last fall with the Minister of Labour of the province of Quebec, he will admit that he was received like a prince and that the people looked upon him as Santa Claus who was to return the following year with more public works.

But, Mr. Speaker, I wonder whether, even with the creation of the National Employment Commission presided over by Mr. Purvis, the problem of unemployment has been solved in this country. On February 20, 1936, the right hon. the leader of the opposition (Mr. Bennett) recalled that President Roosevelt of the United States had stated that even though the industrial activity of 1928 and 1929 should return, the same unemployment conditions would have to be faced, as there would still be six million idle persons in that country. The leader of the opposition added that, counting our population as one-twelfth that of the United States, we would have 500,000 unemployed to take care of.

In view of these facts, Mr. Speaker, and after re-reading the resolution of the hon. member for Winnipeg North, I must say that I am in favour of the first paragraph, which reads as follows:

> Whereas it is becoming more and more difficult for older persons to be absorbed into the useful productive life of the dominion thereby being unable to maintain themselves in decency and comfort.

You will understand how painful it is for those who represent factory constituencies to observe so much poverty, misery and adversity. I remember this passage of the speech the Prime Minister (Mr. Mackenzie King) delivered on the evening of the great Liberal victory, October 14, 1935:

> Poverty and adversity, want and misery are enemies which Liberalism will seek to banish from our land.

I wonder whether it can be said, after three years and in spite of the commendable efforts of the Prime Minister, the Minister of Finance and the Minister of Labour, that the problem of unemployment has been definitely solved in this country.

The second paragraph of the resolution reads as follows:

> And whereas, Canada is a country richly endowed with natural resources, capable of maintaining our whole population in a reasonably high standard of living,

I should not care to commit myself on this subject. Although I admit that Canada is richly endowed with natural resources, I think the matter is one for economists and I fear that this paragraph contains a suggestion that the distribution of the fruits of our natural resources should be attended by a system of joint ownership.

Here is the third paragraph:

> This house would welcome a government declaration of policy that would bring about an immediate lowering of the present pensionable age limit of seventy years. . . .

I interrupt the quotation at this point to state that I am in favour of the appointment of a committee of this house, as in 1906, 1907, 1908, 1912, 1913 and again in 1924 and 1925, to consider possible amendments to the Old Age Pension Act, particularly in regard to the immediate lowering of the present pensionable age limit.

I stated a moment ago that those who reside in industrial centres can bear witness to the widespread poverty and confusion that is found in such places. At the session of 1936 one of the arguments brought against any change was that the advocates of a lower age limit were really preaching communism and socialism. I ask you, Mr. Speaker, whether our pensioned civil servants, our retired judges, our pensioned policemen, firemen and other municipal employees, workmen belonging to labour unions or other organizations having retirement funds can be considered propagandists for communism or socialism in this country. Certainly not.

Another argument was that it would be encouraging laziness and discouraging self-help. I do not wish to repeat what has been said by the hon. members who have preceded me, but it must be admitted that the institution of old age pensions has evolved from year to year in the various countries of the world and some countries have had them only since the turn of the present century. It is as recently as 1908 that Great Britain enacted a non-contributory pension system which remained in force until 1925 when a new act was passed creating a contributory system. The hon. member for Winnipeg North outlined this afternoon the evolution of old age pensions in the different provinces, which evolution is being continued by the resolution now before us, the purpose of which is to lower the pensionable age limit. Let us not forget that, in 1917, New Zealand had passed, under special legislation, a money bill providing

for an increase in the rate of old age pensions. Therefore, we ought to proceed gradually. I say that this country has nothing to fear either from communists or from socialists. We always kept progressing, and there is no reason why we should not see to it that social conditions be improved in the future. Canada is supposed to be quite prosperous, and we boast of the stability of our laws and institutions. Consequently there is nothing to fear in that regard.

Then there is the argument concerning the cost. During the session of 1936, the hon. minister of finance stated that the lowering of the age limit from seventy to sixty-five years would entail a considerable expenditure. According to statistics, there are at present in this country 240,000 people, between sixty-five and sixty-nine years of age. If we take into account the number of those old people who receive a pension either as former members of the civil service or the judiciary, or labour unions which provided for their old age, I figure out that only 20 per cent of them would benefit by the old age pension, should we lower the age limit from seventy to sixty-five. That would leave about 48,000, let us say 50,000 people.

When we examine the statistics a little more closely, we notice that old people in Ontario receive an average monthly pension of $18.11. If we multiply $18.11 by approximately 50,000, being the additional number of people entitled to an old age pension under the proposed amendment, it would make a total of $950,000 a month. Multiplied by twelve, it would amount to about $11,000,000, or let us say $12,000,000 everything being included. Taking into consideration the amendment of 1931 which raised the dominion's share from fifty per cent to seventy-five per cent, therefore seventy-five per cent on $12,000,000 would represent an additional cost of $8,000,000 or $9,000,000 in old age pensions, in case that we would lower the limit to sixty-five years of age. Let us say $10,000,000. I do not believe there is one member in this house who is of the opinion that we could not reduce government expenses in this country by 10, 11 or 12 million dollars in order to enable us to grant old age pensions at the age of sixty-five.

Some contend that many of our old people who are to-day in distress, owe it to their carelessness and lack of thrift. I admit it to a certain extent. But is it not a principle of British justice that a hundred culprits should be allowed to escape rather than a single innocent be punished? Though the proportion would not be as large among these destitute, I do not believe that those who have well deserved of their country, and who, through their whole life, did their best to rear their families, to own some property and to serve their land, should be made responsible for the conditions that we have experienced during the last eight, nine or ten years. Where are our carpenters, bricklayers, joiners, tinsmiths, roofers? Those who had not the opportunity to belong to labour unions where work is of a permanent nature, where are they? You will find them before the unemployment commissions, where they are seeking relief. Do you think that the burden of their care should fall upon their children, who have hardly enough to provide for their own needs?

As to the question of saving, the honourable minister of finance told us during the session of 1936 that we should not make unnecessary expenditures. I agree to that. But you will also admit, Mr. Speaker, that from one end of the country to the other, chambers of commerce, boards of trade and the largest newspapers and periodicals in their editorials, claim that it would be possible to save fifty to sixty million dollars in the management of our railways. It appears that we are paying $50,000,000 a year in interest on bonds held by individuals, that is $1,000,000 a week. It appears that we are paying $35,000,000 a year on government loans amounting in all to $1,500,000,000. I would not like to see any saving made in the department of railways through the dismissal of old employees, for it would be like starving Paul to feed Peter. But I do think that by reducing the maintenance cost of large hotels, and the purchases or working expenses of branch lines we could save some money. The report of the Rowell commission will shortly be submitted to the house. We are told that we could make a considerable saving by doing away with overlapping government services. Perhaps the Rowell commission will tell us also that by having less commissions, some members of which are being paid $400 per day and expenses, and others $100 per day and expenses, and by curtailing these expenditures, we would perhaps be in a position to answer the argument of the minister of finance who stated that money was too hard to get.

If we cannot do it by saving money, and without being compelled to tax the whole population, then I would have a suggestion to put forward. Unfortunately, I cannot labour the point very much longer, for I notice on the orders of the day a bill which went through its first reading, namely bill 28, concerning sweepstakes. Don't tell me that it is impossible to find eight, nine or ten million dollars in this country, without

having to impose heavier burdens upon the taxpayer, in case that we agree to the new financial measures. In England, 200 million dollars a year go to the sweepstakes. In the United States, the postal authorities discovered that four billion dollars were spent each year in lotteries.

An official of the Red Cross Society stated in a letter to the hon. member for Muskoka-Ontario (Mr. Furniss) that in a single office in Montreal $298,000 had been spent on betting and sweepstake tickets, the purpose of which was to assist welfare organizations in Ireland, India or Newfoundland. I do not want to take more of the time of the house. I shall leave to the hon. member for Laurier (Mr. Bertrand) whose speech is more convincing than mine the task of explaining the bill which he has introduced in this house. I want to say, in conclusion that for the above reasons I am in agreement with the views expressed by the hon. member for Winnipeg North. Looking at Part XIII of the Versailles Treaty signed June 28, 1919, particularly at the preamble, we find:

> Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;
>
> And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required. . . .

And I wish to lay emphasis on the following point.

> Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries and to secure the permanent peace of the world.

I shall now refer to the words used by the right hon. the Prime Minister in his speech delivered on the evening of the great Liberal victory of October 14, when the program of social legislation proposed by the right hon. the Leader of the Opposition had apparently been turned down by the electorate:

> Poverty and adversity, indigence and distress, those are the enemies which Liberalism will endeavour to drive out of our country.

Mr. Speaker, I do say that each one of us has a right to express his views in this house, regardless of party politics. I am glad to see the Minister of Finance in his seat because two years ago, on February 20, 1936, he stated that his department was to watch the operation of the act as well as the economic conditions prevailing in the country and that, if there were any possibility, the age limit would be changed. Therefore, I respectfully suggest that, following the example set in 1906, 1912, 1913 and 1914, a committee of this house be appointed for the purpose of studying the necessity or the advisability of amending the Old Age Pensions Act.

Miss AGNES MACPHAIL (Grey-Bruce): I have listened with a great deal of interest to the speeches which have been made on this resolution. I do not intend to follow the line pursued by other speakers, although I agree that the last five years prior to the pensionable age are increasingly difficult for people with little or no means. I wish to speak briefly upon the needs of another class of Canadians, namely those who are totally disabled, and I am thinking particularly of people who are so crippled that they are unable to sit, but must lie prone; of others who can sit but cannot walk; and yet others who can walk only a few steps. It may be that I have come into contact with more cases of this kind than most hon. members; in any event I have definitely come to the conclusion that they are people who need help, even more, perhaps, than the blind, because they suffer so much and have no hope of ever being able to provide for themselves.

A year ago I went to the bureau of statistics and asked if I could get some data on the number of persons in Canada who, due to rheumatism, arthritis and other like diseases, are completely crippled, wholly disabled, but I was unable to get any figures because no returns were available. It seems to me that when the census is taken again we should be enabled to learn how many people there are in this country who are totally disabled and, to some extent at least, what caused them to be in that pitiable condition. I am taking the matter up on this resolution, because, in extending pensions to the blind at forty years of age, we did so under the Old Age Pensions Act. No doubt the Minister of Finance (Mr. Dunning) wonders how many more classes of people are to be admitted to pensions under this act; but this seems to be the only place where one can bring up the question. In Ontario a woman in receipt of the mother's allowance receives, when her husband is totally disabled, an extra amount of money, not a great deal, but as much as would be allowed for another child. If her husband needs much care, that is, if there are medical expenses in connection with his disability, the allowance is not sufficient. But with that one exception —and the same may be true of other provinces—people totally disabled do not receive any pension until they are seventy years of age. I will cite two or three cases, and I

am sure they will bring to mind similarly afflicted persons known to other hon. members.

In my constituency is a man who, when a boy, and still at public school, was afflicted with some rare disease which left him totally unable to walk or, as years went by, even to stand up. He is now in his forties, and most of the time since his early youth he has been compelled to lie prone; he can scarcely feed himself. He is very intelligent. He lived with his aged mother, who cared for him. At the age of eighty she died, before his eyes, from a heart attack; he, though seeing her, was unable to do anything except call for help, and help had hardly arrived before his mother was gone. Her death left him with no one to care for him and without any means of support. Everyone wanted to do the best they could for him—he had lived in the village all his life—but the only thing that could be done was to take him to the hospital, which happened to be at Hamilton. I wanted to have him live in his own village, because I knew it was breaking his heart to have to go away; but I found that the amount which the municipality were willing to contribute for his support would not be supplemented if he remained in the village, but only if he was taken to hospital in Hamilton; I am not familiar with the institution but I believe it is a place for incurables. In the summer when in his home village he was put in a sort of bed which can be wheeled outside, left there during the day and wheeled inside in the evenings, so he spent his summers in the garden, where his friends and neighbours called and talked with him. His case brought home to me what a cruel thing we had done to him although nobody intended to be cruel. From his public school days until the present time he has not been able to live anything that approaches a normal life; but in his own little cottage in his home village he really was happy; he had his radio, friends came in to read to him, talk to him and treat him in a human way. Then suddenly he is taken away, and as far as I can see—and I have tried to do everything I can—there seems no way of getting him home again. Last year some of his friends were able to take him home for a day or two, but it is not possible for him to remain there.

I will cite another case in my constituency. This woman developed in her forties what seemed to be ordinary rheumatism and it got worse and worse. She is now over seventy and can neither sit nor stand, though she could for many years. It was a progressive disease and each year she got worse. You can imagine how much it must cost to care for a patient from some time in the forties to, say the age of seventy-two. This woman could now get an old age pension, but she lives on a farm. All this time she has suffered so much that one wonders how she can continue to live. Her stepson has taken care of her in a loving and admirable way. He has farmed the land and when he could afford it has kept help; when he cannot afford it he cares for her himself. She told me that she could apply for a pension; but she would have to sign away the farm on which they live, and she said that she could not have it taken away from her stepson, who has done so much for her. She therefore goes on suffering and hoping that the end will be not too long delayed. That has been her condition for many years. These happen to be personal friends of mine, but I am sure that hon. members can all call to mind similar cases.

On Saturday I got a letter from a young man in Quebec who says he is twenty-eight and for sixteen years has been unable to walk. His story is much the same; there is no one to take care of him and he does not know how in the world he is to be supported. There is no pension for him; he does not know where to go, and he wishes to know whether something can be done for him.

Strangely enough, the three letters I have received are all from the province of Quebec. I can give the names if anyone wishes to have them, but I think it is better not to give them. This young man writes:

> Do you not think that it would be only fair to include the crippled and invalids in this law?

He is referring here to the pension to the blind, and he suggests giving the crippled and invalids a pension at forty years of age. He goes on:

> It seems to me that I should be as much entitled as old people to receive a pension by the fact that I am unable to work and without means of livelihood. Old people very often can depend on either a son's or daughter's support.

He says he has no children. The third letter came recently from the province of Quebec. The writer, a man, says:

> I happen to be one of these unfortunates. I am thirty-eight years of age. I have to walk on crutches and my health is very frail. My folks are poor, my father being over sixty years of age, can only work during the summer season, he being too old to work as a lumberjack in the winter time. His income is about $400 a year to support four grown-up persons.
>
> I had a small business, but on account of sickness I ran into debt and cannot see my way to build up another trade, being short of funds.

He thinks he could work if he could get started at something.

I do not want to prolong the discussion. The need for action is clear to everyone. I was glad we did something for the blind; though it took us a long time we eventually got around to it. People who are totally incapacitated and are thereby denied the happiness of a normal life which the rest of us enjoy and who, moreover, often suffer excruciating pain, ought not as well to be worried by economic difficulties, and I submit that at the earliest possible date we ought to extend pensions to totally disabled persons.

People will ask where the money is to come from. Well, just recently I have been reading in the Star Weekly of Toronto the story of some birds of passage, rather wealthy birds who flit to the Bahamas. Pages are devoted to them. One of them is Mr. Harry Oakes, and he was justifying his flight on the ground that he might avoid taxes. I read that in the same island there was that eminent banker whom we all had the privilege of meeting in the banking committee many years ago, Sir Frederick Williams-Taylor. I read that Sir Herbert Holt also had gone to the Bahamas. If they care to go there it is all right with me; but at least I would see, if I were in the seats of the mighty, that they did not take with them all the great gifts which this country has so richly bestowed upon them, and that from such people income tax should be taken to such an increased extent as to afford large sums of money to be used in alleviating the suffering and mental distress of these our unfortunate fellow citizens. One should not become too perturbed at these newspaper articles; it is likely to cause high blood pressure; but if I did become agitated by such reading matter I would have been particularly violent when I read about these three men. This man, Harry Oakes, took the trouble to give an interview in which he defended himself. I thought he might have spared us that. I suggest that allowing these people of great means to avoid taxation by going to the Bahamas or elsewhere is an affront to all hard working and destitute Canadians, and I hope that something will be done about them before very long.

In conclusion, I would ask the house to consider the case of totally disabled persons.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I have listened this afternoon to the arguments for reducing the pensionable age, and it seems to me there is everything to be said in favour of it; I can think of no real case against it.

[Miss Macphail.]

What are the facts? It is admitted that a certain percentage of people will never again be able to find work and wages. Surely if men and women have put in forty or forty-five years of useful work they are entitled to a few years of leisure if they so desire. On the other hand, people who have reached the age of sixty or over and are not working and receiving wages have very little chance of getting work at that age. It seems that there is a feeling against granting leisure to anybody unless he possesses money. Money seems to be the one claim to leisure. Not only is that so; but if a man has not saved money by the time he reaches old age, the feeling seems to be that he should be punished for that very reason by being made to work years after he is really physically incapable of doing so.

They say that when a man loses his money his follies become vices. It appears too that if a rich man gets out of bed he is a hard working citizen, whereas if a poor man gets into bed he is considered a lazy bum. Be that as it may, the only reason I can see against lowering the age for old age pensions is the expense. It will be said that the country cannot afford it. That may be true in a financial sense, but certainly it is not true in any real sense. Surely no one will say that the Canadian people, with all the power at their disposal, all the machinery and all the skill which they possess and their well known capacity for hard work—and if any people in the world have earned that reputation it is certainly the Canadian people—it is absurd to say that all those resources if used to their full capacity are not sufficient to sustain the people who are too old to be usefully employed.

Consider the rearmament plan in Great Britain; they are spending, I believe, $7,000,000,000 in producing armaments. I do not wish to say anything for or against rearmament; that is not the question; my point is that the people of Great Britain are devoting themselves to accumulating an enormous supply of goods which are not for the use of the people who produce them. Yet everyone admits that on account of that program the people of Great Britain are very much better off than they were before; that their standard of living has risen, simply because the wages and salaries distributed for the making of those munitions have enabled the workers to get more and better food and spend more money on their amusements and pleasures. If part of that money had been distributed for other purposes than making shot and shell and battleships, the result would have been the same. People do not live in battleships and do not consume munitions; but, as I said, the increase

of money which has been distributed to the people of Great Britain through the production of armaments has raised the standard of living for the whole country. So that if the government financed these old age pensions in part by the creation of additional credit, which of course is the way in which these munitions are financed, not only could the rest of the people afford it but we would all be very much better off.

Of course people will say that would cause inflation. But in Great Britain in recent years they have spent thousands of millions of dollars on rearmament and there has been no serious inflation, so I fail to see why it would necessarily follow that if we distributed some extra purchasing power in this country there would be any danger of inflation. I know that is the bogey which is always trotted out if anyone suggests a little financing which is not quite orthodox. We are all supposed to be frightened at the word inflation. But there are means of avoiding inflation, and I am quite sure that we could very well deal with that if we had to. It is true that in the financial sense the people of this country and of all countries are overtaxed. It is not likely that they would be ready to agree to more taxation and more work. If people have to work it is poor treatment to bleed them at the same time. What they need is not bleeding but a little blood transfusion, a little blood pumped into them. If we could pump a little money into the people's pockets, we would all work better and be healthier and better off.

It might be said that old age pensions financed in that way would be in the form of a dividend. That, of course, is exactly what it would be. I gather from remarks made here a few days ago that to mention the word "dividend" is to lay oneself open to the charge of political corruption. Well as one who was accused of the gravest political corruption in the history of Canada let me take the opportunity of saying a few words on my own behalf. I do not think hon. members on the other side realize the true state of affairs in Alberta. The facts are that the people themselves were discussing monetary reform for some years; they formed study groups, and you cannot wonder, considering that they were getting five cents a bushel for their grain and next to nothing for their live stock. The more they studied monetary reform the more enthusiastic they became. They organized themselves in constituencies and when the time came they held conventions and nominated men to obtain what they wanted. The demand came from the people, not from those who have been described as cheap politicians going out promising this, that and the other thing to get the people's votes. The people demanded that these things be obtained for them, and if a man accepted nomination it was on those terms. And the people have the remedy in their own hands; if those results are not obtained, they can at the next election turn these men out and replace them with others. That surely is democracy. Our election expenses were financed with nickels and dimes. My own personal election expenses were under $50, as the clerk can tell you. I think it was $37 I spent on my election, my personal expenses.

Mr. DUNNING: You can never run one as cheaply as that again.

Mr. PELLETIER: Not with the example we are getting.

Mr. JAQUES: That remains to be seen. Possibly I may not run again. Anyway I do not think you can say that $37 is an excessive sum to pay to obtain people's votes.

The fact is, Mr. Speaker, that as you travel among the people of Canada you find that people are not satisfied. Of course I have this advantage over the elder statesmen, in that I probably hear the truth, while they possibly do not. The people are a long way from being satisfied. It is not a case of Liberals or Conservatives. Parliament itself is on trial. The people are getting tired of electing representatives in a democratic way and getting nothing for it but further taxes. One thing is certain. If they do not obtain better results than they have been obtaining in the past their faith in parliamentary government will grow less and less. I should like to read a quotation from The Art of Central Banking, by Mr. R. G. Hawtrey, who is a secretary to the British treasury. He says:

> The common factor in pre-war, and post-war, experience is the intimate association of the state of trade with the enlargements and compressions of consumers' income and outlay effected by central banks. If this fundamental causal sequence were understood, the public would hardly acquiesce in the central banks proceeding from their position of complacent detachment to generate depressions, unemployment, bankruptcy, budget deficits and defaults, with all the resulting political and social convulsions while government after government is broken because it can neither stem the flood of ruin nor even provide tolerable palliatives to alleviate the consequences.

That was written not by a social crediter but by an orthodox economist, who is a secretary to the British treasury. We see the way things are going in Europe. The trend is all towards dictatorship. Parliament, as I

have found it, is like a very fine club the members of which are married to rich wives. They talk big about what they are going to do, but when they get home they are told what they are to do. So it is here. We talk very big before an election. We are going to issue currency and credit in terms of public need. We are going to fight the money power. We are to do I don't know what else, but we have not done very much. I do not blame one side of the house more than the other. The fact is that neither side can do anything until parliament regains control of the issue of currency and credit. The Minister of Finance (Mr. Dunning) can shake his head—

Mr. DUNNING: We have control of it right here. That is why I shake my head.

Mr. JAQUES: I am delighted to hear that we have control of it, in which case there is no reason why the figure of sixty-five years could not be reduced to sixty years.

Mr. DUNNING: Why not to ten?

Mr. JAQUES: There is no need of that.

Mr. DUNNING: You are fifty-eight now.

Mr. JAQUES: Quite right, and in two more years I would be eligible. But we have this problem. It is admitted by the commission that thousands, and I think hundreds of thousands, of people can never hope for gainful employment in spite of the improvement in the financial figures. Employment does not seem to show a great deal of improvement. There are hundreds of thousands of people out of work in Canada. There is the problem, and it has to be solved in some way. It is not my place to tell ministers of the crown how to finance the thing, but I suggest that the interests of those old people, most of whom have lifetimes of work behind them, should be placed before the interests of the few people who control finance. Believe me, this knowledge about finance is spreading. You cannot hoodwink the people all the time and, as Mr. Hawtrey says, when this casual sequence begins to be understood, things will be different. It is beginning to be understood now; make no mistake about that. Alberta proved it, and do not think that if the provincial government of Alberta is blocked, that is going to be the end of it. Those ideas are spreading all over the world, wherever liberty still remains; and if we want to preserve what liberty we have; if we want to preserve parliamentary government as we know it, then parliament cannot remain in the power of finance, as it certainly is to-day.

[Mr. Jaques.]

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, I believe the whole house is grateful indeed for the opportunity that has been afforded by the hon. member for Winnipeg North (Mr. Heaps) to discuss this important question, which goes very deep into the social activities of any country, and more particularly Canada. I was glad also to notice that not one of the previous speakers has decried this debate on the ground that we have been wasting the time of the house. I heard that remark made on several occasions previously; for instance, it was made with regard to the discussion on the flag. No time is wasted when we discuss some national, important problem which affects every constituency in this country. Again I say sincerely that I believe the hon. member for Winnipeg North should be complimented by all parties in this house upon having given us an opportunity of discussing the all important problem of old age pensions.

(Translation) I wish also to offer my sincere congratulations to the hon. member for Verdun (Mr. Wermenlinger) for the speech he delivered a few moments ago. One or two points of his speech, however, I should like him to explain. He stated that when this matter was discussed a few years ago members of the house had been called communists or socialists because they had declared themselves in favour of the resolution of the hon. member for Winnipeg North (Mr. Heaps). As far as I am concerned, I followed this discussion very carefully a few years ago, and I heard no such accusation made from any side of the house.

The hon. member for Verdun also said that those who had opposed the resolution a few years ago had stated that to lower the pensionable age limit would be to encourage laziness. Once again, I must plead ignorance, for I never heard any member of this house make any such statement.

The hon. member stated also—I do not know how serious he was—that it would be possible to effect a saving by reducing the expenses of the Rowell commission. I do not suppose that the hon. member meant to say that this expenditure is entirely useless. As for me—and I think that in this I faithfully reflect the feeling of my constituents—I am convinced that the appointment of the Rowell commission last autumn was one of the best moves the dominion government ever made. Those who followed the history of this country throughout the last fifteen years could hear murmurs from the Atlantic to the Pacific. In Ontario, part of which I have the honour to represent, there was almost open talk of secession. I grant that such a movement did

not go very deep. However, murmurs of it reached Ottawa. The same thing happened in Quebec, in the western provinces and in the maritime provinces. The hour had come when the dominion government was in duty bound to appoint a commission which would visit the various provinces and hear the grievances of each part of the country presented in an orderly manner. That was not all. The out-and-out advocates of local autonomy who, in many cases, aimed at the destruction of national life, would find themselves there in a forum where they necessarily had to be impartial and reasonable. Why, Mr. Speaker? Because the moment they appear before the Rowell commission their statements are given wide publicity from one end of the country to the other, and any false reasoning on their part subjects them to ridicule. Did we not see last autumn alliances formed in some parts of the country with the object of combating the actions of the federal government? I repeat, the present administration deserves the congratulations of the Canadian people for having created the Rowell commission which is seeking the solution of the serious problems now facing this country.

The hon. member for Verdun deemed it logical—I shall not discuss the point—to seek from a national lottery the money required to lower the age limit for old-age pensions. He alluded to a bill to this effect submitted by a Montreal city member and to the problem that will be discussed on the second reading of this bill. Mr. Speaker, it would take at least fifty lotteries to solve all the financial problems with which the country is faced and to supply the funds required for all the social institutions we should like to establish in Canada, and I would not be in favour of establishing lotteries on so large a scale.

(Text) No one could have any quarrel with the resolution. Generally speaking, no one has any quarrel with the solution of the old age pension problem. Providing for the old people was a necessity which was perhaps long overdue. But first things must come first and, Mr. Speaker, this is the forum in which we should speak our own minds sincerely and honestly. I state deliberately that first of all, in its full integrity, we must apply the present old age pension system.

I could refer to dozens of cases, and give positive facts showing a misuse of old age pensions. I shall cite one typical case. Prior to 1930 a farmer from a point north of Cochrane—if necessary I shall give the name—asked me if he would get an old age pension. I said that he would not. I told him he could not get it and he was not entitled to it because he was a well-to-do farmer and could live on his income. I added that his son owed obligations to him, and that as a result he and his wife would be looked after for the rest of their days. But my opponent promised the man that if he would vote for him the pension would be given—and he got it. I say that man should not have received a pension.

We have had several of those cases. The provincial government in Ontario sent out a questionnaire to pensioners in that province, asking the exact facts in each case. In some instances it appears that the pension worked to the detriment of the people who received it. I do not wish to be misquoted, and hasten to state that I am absolutely in favour of the principle of old age pensions; but I must repeat that there is so much abuse of the system now in use that I am in favour of applying the principle universally, and giving the old age pension to all persons over seventy years. That would do away with many of the false statements and the injustices which now exist. If investigations were made in connection with some applications which have been granted, some people would find themselves in gaol, and against the principle of of the act. These are conditions which we must avoid. We must have the interest not only of parliament, but of the people who receive money from a provincial or federal treasury. I have seen so many strange things going on in that regard that in order to improve our Canadian life, I would be in favour of universal application of old age pensions.

Possibly I should point out some of the pertinent facts. There can be no doubt in the mind of any parliamentarian, whether he be in a provincial or a federal house, that conditions are changing rapidly; that there are evolutionary changes in many respects, and that there are more and more social activities in the different provinces. May I set out some of the figures supplied for the year 1936, indicating social improvement activities. In Ontario, where old age pensions, mothers' allowances and other matters of the kind are administered by the Department of Public Welfare, 120,000 Ontarians look to that department for their monthly cheques. I speak only of provincial activities, and I do not include in these figures pensions given by the federal and the provincial governments to civil servants. I do not include pensions given to veterans from the federal treasury, but speak only of the provincial field. So when someone says we are not running very fast, I say that we are walking very steadily, at least in some directions.

In 1936 there were in Ontario more than 56,000 old age pensioners, and the number is

increasing at the rate of 2,500 a year. At the present time in Ontario there are 60,000 old age pensioners. Before we applied the principle of old age pensions to Ontario, a survey was made by government officials, and it was shown that the maximum number of pensions sought in Ontario stood at 25,000. When we see the number now given one realizes that it is impossible to have any accurate figures beforehand in connection with the application of social activities.

I believe every citizen in Canada was proud to learn that pensions were to be given to the blind. In Ontario, because of the addition of that group, 3,000 to 4,000 new pensioners were added to the list. I say this was a worthy national investment, and I know there was not a single word of criticism with respect to it from any part of Canada.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BRADETTE: Mr. Speaker, at six o'clock I was stating how appreciative I was of this opportunity to discuss this resolution. I had said that I was not in favour of lowering the present age limit of seventy years until such time as all the provisions of the Old Age Pensions Act had been implemented, and for other reasons which I shall enumerate in a few moments. I was also outlining the different social activities of the province of Ontario. Being used in conjunction with the Old Age Pensions Act we have the Parents' Maintenance Act, an act which in my opinion is absolutely impossible of application. There is an old proverb which says that you cannot whip a dog to hunt, and the same thing applies to certain young people who do not want to help their old folks. It is too bad that the fourth commandment cannot be implemented fully, because in keeping this commandment the young people of both sexes would be greatly blessed. However, I must admit that there have come before the tribunals in my section of the country cases where young people have absolutely refused to help their old parents and cannot be compelled by the law to do so.

We have the Mothers' Allowance Act which is functioning well in Ontario. In 1936 there were in the province 11,500 mothers as well as 30,000 children, receiving help under this act. There is also the Neglected Children's Act under which fifty-four children's aid societies operate. These societies are given the power to interfere with the manner in which children are being brought up. Any one at all familiar with the administration of this act realizes the good that has been accomplished. A total of 23,500 cases were dealt with; 1,000 children were made wards and 850 others were adopted into better families.

We also have the Unmarried Parents' Act, under which 2,500 cases were dealt with last year. The province also maintains three industrial and two training schools where the idea is not to punish but to recreate and send the children back to society after they have mended their ways. This is brought about by providing the proper education in the right environment. I shall not mention the hospitalization which is carried on under provincial administration, the public health work, the tuberculosis sanataria and the asylums. I believe Ontario was the first province to intimate that it was in favour of the principle of unemployment insurance. As soon as the legislation is passed by the central government, it will be applied in the province.

We do not want to remain in one place; we want to keep moving forward; but in considering these social activities there are always financial responsibilities which must be considered. I shall deal with these in a moment. At this time I should like to compliment the hon. member for Grey-Bruce (Miss Macphail) on what she said this afternoon. Before the present old age pension age limit is lowered, I should like to see all those unable to work, through either disability or other causes, receiving sufficient compensation from the government—not to be wards of the government—to make it possible for them at least to keep body and soul together. I believe this was mentioned in the reports issued by the employment commission last year. Any civilized country should find it possible to pension off those who are unable to work and this pension should be granted regardless of age or sex.

I listened attentively this afternoon to the hon. member for Vancouver East (Mr. MacInnis). The hon. member referred to the fact that machinery was replacing more and more men. He must believe implicitly in the theories of the technocrats. That statement may be true if applied to a particular industry, and there is no doubt that in the last twenty years many men have been replaced by machinery. The only solution of the problem that this creates is shortening the hours of labour. I well remember the agitation which was carried on in the early days of the silver mining section of Cobalt. I was working with the labour leaders, and I can remember how we used to talk in terms of an eight hour day. Some thought we would never see that in our generation, but to-day

it is an accomplished fact. With the highly mechanized state of our industry I do not think the time is far distant when we shall have the six hour day principle applied to the industries of this country.

The replacement of men by machines has not been as great as one might be inclined to believe, and it has created a great deal of employment. The fact is that these machines must be created and maintained in operation. The great automobile industry is an example of this. The automobile is a modern invention and no one will say that it was a bad thing for mankind, and that it has not created employment. The same thing is demonstrated by the telephone. In this country, in the United States and in all other countries that use this modern invention, employment is given to tens of thousands of people. In these instances machinery has not entirely replaced the human factor. The same applies to the telegraph and to the radio. We have at least 10,000 people who are directly occupied to-day with radio activities. The same applies to wireless, to aviation and to mining.

The section of the country which I have the honour to represent, the Porcupine district of Ontario, would never have been developed to its present state were it not for the heavy machinery which permitted boring to great depths through the solid rock. A single ounce of gold would never have been produced with the old equipment. There is very little placer gold in this country. The same thing may be said of our other heavy industries. We must not overlook the development of our water powers which has meant so much to Canada. This has been possible because of the machines available. We must be careful and not paint a sad picture by saying that machinery is replacing men to such an extent as to upset our civilization.

These machines must be invented; they must be built, and they must be maintained. Anyone familiar with the fast pace of our industrial life will realize that to-day the average life of a machine is not more than seven or eight years. Not only must these machines be rebuilt, but in many cases they must be replaced entirely. These are matters that should be remembered when discussing this question. We talk in broad terms about the wonderful natural resources of this country, but we must not forget that all these resources were here a thousand years ago. They were here before the shores of the St. Lawrence were colonized by France and before the country was conquered by the British.

These natural resources were not developed. There is only one factor which brought them to development, and that again was the human one. We must be very careful in our statements on this matter. What we have here in the way of natural resources we have to work and fight for. The climatic conditions of Canada are very severe. Sometimes we speak of the wonderful areas which belong to us. It is true that this country is of tremendous size, but some of our great open spaces will be "open" till the end of time. It is very easy to make appeals on a basis of this kind to the passions of the people; but I repeat that it is true of my own province of Ontario and many other sections that our resources are not unlimited, and such as exist must be developed by the human factor, by human labour and inventiveness.

The hon. member for Wetaskiwin (Mr. Jaques), speaking to-day of the increased expenditures in which the implementation of this resolution would involve the government, remarked that the matter was subject to the question of financing it but that that should be a secondary consideration. Well, though I am a great optimist I am not as optimistic as all that. I have been in the house for a good many years. When I first came to this chamber the finance minister was the late lamented Hon. Mr. Robb. He was a minister of vision and ability, but even in those so-called boom years he had some financial worries. Later on he was replaced by the present Minister of Finance (Mr. Dunning). Then we had a change of government and for a year or two the portfolio was held by the present leader of the opposition (Mr. Bennett), and later by the present Senator Rhodes. Then the government changed, and again the position is held by the present occupant. The men who hold that difficult position must be realists; they cannot afford to experiment to any great extent with the finances of the country. It is not their money; it is public finance, the money of the people.

It has often struck me as significant that these men are not prepared to take the easy way, according to some theorists here. How much simpler it would be, for instance, to start a printing press and to cover the cost of the pensions of great war veterans by issuing at one stroke some fifty-two millions of dollars, or to print another fifty millions of dollars to cover the deficits on the Canadian National Railways, or to meet interest charges. That would be the easy way, let me say in all sincerity to the Minister of Finance, to preserve his health and avoid worry; apparently all he has to do is to get the

printing press going over night and tomorrow we should all have a lot of brand new bills of the Bank of Canada, covering all administration expenditures. I myself could do with a few. But we are realists; we are members of parliament sent here by our constituents to deal in a logical way with the problems of this country. Surely past and present ministers of finance, who must know the financial system of this country and the monetary systems of the world, and who no doubt suffer sleepless nights because of the requests made upon their department, that they cannot implement, would be much happier men if, upon the discussion of a resolution such as this, they could say to you, Mr. Speaker, "I am not satisfied to leave the pensionable age at sixty-five years; I am going to reduce it to fifty years and to pay forty dollars a month instead of twenty." That would be a wonderful statement, even politically speaking, for a minister to be able to make. It would be much easier for me to be reelected if the present minister could do so.

But again we must face the situation as it is. It is fine to be a theorist about the monetary system; it is pleasant to talk of a coming day when the government will be such a wonderful Santa Claus that everything we require from it will be granted. I have no personal grievance against the Social Credit group. But let me examine their position as it might affect our province. Taking the minimum sum they promised during the last election, and applying it to my own riding, if the fifty thousand adults there were to get twenty-five dollars a month each there would be $1,250,000 per month for my constituency. Multiply that by the twelve months of the year, and you have an annual distribution of $15,000,000 in my constituency to adults alone. There is no doubt that that would be greatly welcomed and rapidly spent. But enlarge the field; apply the principle to the whole of Canada, and multiply the sum of $15,000,000 by 245 ridings; at the end of the year you would have distributed $3,675,000,000 to adults only. If you include the children, who would be entitled to some compensation, the amount would be not less than $4,500,000,000, and if you total these distributions for the life of the present parliament they would come to the enormous sum of $22,500,000,000.

Mr. KUHL: Is it physically possible?

Mr. BRADETTE: It is physically impossible. We talk of priming the financial pump—

Mr. KUHL: Are the goods and the services there?

Mr. BRADETTE: The inflation would be over twenty-two billions of dollars. We must realize what that would mean. The dollars in our own pockets which now have some value would then have no value whatever; you could not exchange them for the value of the printed matter there is on them. We must be practical in dealing with such matters, because they are important. I am not going to argue that the present monetary system is absolutely perfect; it is far from it. I believe it should be amended from year to year, and that it should be possible for us to achieve a better relation between production and distribution. The age of need must have disappeared; we have demonstrated that to some extent by the surpluses of all kinds which we have had. But let us not fool ourselves on that account. In this country we may have surpluses of wheat and some other grains; but we have not a surplus of all the commodities required, and so we have to exchange with other nations such surpluses as we have for the goods we require from them. People talk of priming the financial pump. To issue currency in the manner that has been suggested would not be "priming"; we should strike such a huge undercurrent stream that we would have the biggest flood in phony money which has ever been known since that first flood which covered the whole world.

These are considerations we must keep in mind when we discuss the problems of this country. It is easy to make in this chamber proposals which we must know are absolutely impossible of application. I wish it were possible that some hon. members had to undertake for a month or so the responsibilities of the Minister of Finance, and to learn from experience the impossibility of implementing all the requests that are made.

I shall, however, make this observation, that I sincerely believe if ever inflation is carried out by any government, it will be for the enlargement of the social activities of the state, to help the sick and the old and the blind, and that is the very best purpose to which it could be applied.

Mr. KUHL: What is inflation?

Mr. BRADETTE: Well, I am not going to theorize on that point. We had an example of it during the war. But I would like hon. members to realize that nowhere in this world, under any circumstances, can you get something for nothing.

Mr. KUHL: Is there inflation in England now?

Mr. BRADETTE: That is a philosophy which has been with us ever since the birth of time, and we cannot get away from it.

Mr. KUHL: Have they inflation in Britain now?

Mr. BRADETTE: It is inflation in this sense, that the government has perfect control of it.

Mr. KUHL: Would you be in favour of controlled inflation?

Mr. BRADETTE: Controlled, yes. But nobody will make me believe that the redistribution in this country in four or five years of $22,500,000,000 of new money would be a solution of the problems we are facing at the present time.

I do not want to enlarge too much on this question, but I come to the statement made by the hon. member for Grey-Bruce that there are in our midst many people who will never be able to do a good day's work. Undoubtedly we have a great number of unemployed, young and old, but old age is only relative. When we speak of providing a pension for people of sixty-five we must realize that it would not be satisfactory to some people of that age to be pensioned off. I believe it was the present leader of the opposition who, during the election of 1935, said he was going to pension people at the age of fifty. How many members of this chamber would care to be retired at the age of fifty? I know many men who can do a good day's work at a much greater age; I could cite many instances of farmers of sixty and over who can still do a better day's work than some men of twenty or thirty. Old age is only relative, and I would not make the pensionable age lower than it is now until such time as we fully implemented the provisions of the existing act. I have referred to some of the abuses, and I hope some hon. members will enlarge on that.

Again I say, let us be realists as far as possible. After all, governmental expenditures are made under a capitalist system; the present system of government is based upon that principle. I do not believe that any one in this house would want to have governmental capitalism such as they have in Russia. There might be some improvement in old age pensions under such a system; but I would ask anyone who advocates such a system, Does he realize the cost of government in human blood and human misery where that system prevails? I am sure no one wants those things in Canada; no one wants them under our British institutions. If ever the day comes when any of the parties sitting to the left of the speaker should form a government, and if I happen to be sitting in the opposition then, I shall be as fair to them as I want them to be to the government to-day. Well, what is being advocated now? It has been said over and over again that if we had another war it would be possible to finance it. I make this prophecy, that if there were another war Canada would not have provoked it nor would Canada be on the offensive. Canada did not want the war of 1914, and there is not a single member who could criticize our attitude from 1914 to 1918.

We want to solve the problem which we are discussing to-night, just as we want to solve all the problems that face the dominion to-day, because we do not want to see anybody in our constituencies suffer. We want to see people enter into the more abundant life and be engaged in fruitful occupations, and we want to see something done for the youth of the country. I, for one, do not want to see military service in Canada such as they have in Europe. I wonder whether hon. members have pondered the statement made by Hitler some three years ago when France was alarmed at the discovery that a million young Germans were being conscripted for the army. What did Hitler say? To appease France, he said that these men were simply being taken out of the ranks of the unemployed. Surely we do not want two or three hundred thousand young Canadians given employment by this means; we do not want to have them similarly conscripted for military service. There are great undertakings ahead of us in Canada such as reforestation and the development of agriculture. There are a hundred and one ways of employing the youth of the country without adopting any policy such as we see in Europe.

If it were possible, I should like to see the age limit lowered to sixty-five, but I believe that the mover of the resolution is just as fully aware of the difficulties as the rest of us in this house are. He is a humanitarian and he suffers with those who suffer. Just as we all feel in this matter, he wants them to be happy and to live the fuller life, and for that reason, in view of the difficulties which lie in the path of the proposal that he has made, I hope he will find it possible to withdraw his resolution.

Hon. CHARLES A. DUNNING (Minister of Finance): I understand that quite a number of members desire to speak on the resolution, and I wish to take this opportunity of putting before the house the point of view of the government in connection with it.

Speaking for myself, no resolution which comes before the house strikes a closer chord of sympathy than the one now under discussion. The subject is one with which I am concerned in an administrative way as the officer of the government who must deal with the provinces with regard to the matter, and consequently

from day to day, throughout the year, I hear much in the way of criticism of the present system, both of its shortcomings from the point of view of social service and also of the abuses which are alleged in all provinces to have crept into the administration of it.

An hon. MEMBER: All provinces?

Mr. DUNNING: I believe all provinces, yes. There have come from all provinces, in some cases in greater volume than in others, allegations of abuse of the principle of the old age pension system. Neither the shortcomings nor the abuses, however, should deter this parliament from considering forward steps in connection with social legislation of such importance. The hon. member for Winnipeg North (Mr. Heaps) on this occasion has framed his resolution much more cleverly, if I may say so, than formerly. He has framed it in such a way that it is very difficult for any member of the house to express dissent from the object sought. But I wish to analyse it for a few moments.

Leaving aside the preamble, which does not very much matter except as an introduction to the resolution itself, the motion reads:

> Therefore, be it resolved,—that this house would welcome a government declaration of policy that would bring about an immediate lowering of the present pensionable age limit of seventy years, the effect of such being that the older generation would retire from industrial activity, thereby creating opportunities for the younger generation to be usefully and gainfully employed.

Why not a resolution that this house would welcome a government declaration of policy that would bring about a sufficiency of rain in the western prairies? My hon. friend treats the subject, and not quite innocently, as if a government declaration of policy in this house could effectuate the object which his resolution seeks. That is not the case—yes, there is one form of government declaration of policy in this house which might bring it about; and I am speaking now to the trustees of the Canadian people when I put it to them. There is one form of declaration which might effect the result, and that is for this government, representing this parliament, to express the willingness of the national parliament of Canada as a whole to take over all of the additional cost which would be represented by lowering the pensionable age from seventy to some other point—the resolution does not determine the point, but the mover says sixty-five and some others say sixty. It is possible that the provinces of Canada would agree, provided the government of the dominion agreed to assume all of the cost represented by the lowering of the pensionable age to whatever point might be decided upon.

[Mr. Dunning.]

In so far as the present old age pension scheme is concerned, I do not think there is much chance of getting all of the nine provinces to agree to bear their share of what would be represented by the additional cost to both dominion and provinces of making the change which is advocated. We sometimes lose sight of the fact that when this dominion parliament decided that we should have a dominion-wide old age pension scheme, we could only decide to do that provided the provinces in the exercise of their exclusive constitutional authority with respect to the matter would enter into partnership with us. And they did—slowly. The last province of the nine came in only about two years ago; Quebec came in in 1936, I think. We are in no position to force old age pensions upon any province in Canada. We are in the position of contributing as the national entity towards something which is constitutionally a provincial responsibility.

I sometimes question the wisdom in the long run of these extra-constitutional financial arrangements between the dominion on the one hand and the provinces on the other. The old age pension scheme has been an excellent illustration, throughout the years of its operation, of the difficulties which are inherent in the system of evading our constitution by means of agreements between the dominion on the one hand and each one of the nine provinces separately on the other. We agreed first upon what might be called the skeleton of the scheme. In order to qualify for the assistance offered by the dominion a province engaged to enact a certain type of old age pension legislation to fit into the general national scheme. I wonder whether the house realizes how difficult it is in those circumstances to secure reasonable uniformity in administration from one end of Canada to the other; how particularly difficult it is, after having secured agreement upon the initial legislation which the provinces shall enact, and when as a result of experience it becomes clear that amendments are necessary, to get each one of the nine provinces to agree upon the nature and scope of those necessary amendments; and how impossible it is to work a dominion-provincial agreement if one province or one group of provinces is legislating along a different line from the other eight, or two from the other seven, or three from the other six.

During the two years since this government came into office, I have had the experience of endeavouring to deal with this problem, concluding with a conference of the nine provinces last fall in an endeavour—I think a sincere endeavour on the part of all—to accomplish two things; to remove, on the

one hand those anomalies in the regulations which had the effect of depriving really deserving persons of the benefit of the act, and, on the other, those weaknesses in the regulations which made possible abuses in the payment of pensions to persons whom neither this parliament nor the legislatures really intended should receive the benefits of the legislation. I am bound to say that after we had wrestled with the matter for the best part of a week a greater degree of unanimity became manifest than I had ever before experienced in a dominion-provincial conference, and as a result I think there is a considerable improvement in the administration of the Old Age Pensions Act.

I am convinced, however, that you cannot have the maximum of efficiency and of fairness in the administration of an old age pension scheme administered as this one is by each of nine provinces operating within the scope of its own sole jurisdiction, and the dominion government putting up seventy-five per cent of what they spend for old age pensions, with the right of audit but with no right to interfere with the manner in which the province is administering its own law. So I say again the experience with old age pensions does not encourage me to believe that the path of concurrent legislation as between each of nine provinces on the one hand and the dominion on the other is a desirable way to tackle our social problems. I refer to it particularly in relation to social problems because it is in the field of social legislation that the principal difficulty exists in connection with our provincial-federal constitution. In the field of labour legislation and social legislation generally our constitution as it stands at present imposes most of the obligation upon the provinces or upon such creatures as the provinces may create in the form of municipalities or other institutions to carry out that obligation. I shall before concluding make a few suggestions along that line looking to the future; but in the meantime I want to look realistically at the side of the picture which the Minister of Finance must look at, that of the cost of any proposal of magnitude which comes before the house. When I speak of cost in this connection I mean cost in terms of money which is generally acceptable, money which we are all willing to accept at one hundred cents on the dollar. I am not discussing to-night any other kind of money than that which is in my pocket and, I assume, in the pockets of everyone else here. I know from experience that the people receiving old age pensions expect to receive money which will be good from one end of Canada to the other. Therefore I shall not indulge my hon friends in the corner to-night by a discussion of the control of credit and currency in Canada.

Mr. QUELCH: We have that now.

Mr. DUNNING: I hope on some future occasion, if opportunity serves and hon. members will give me sufficient time, to demonstrate to the house that this parliament through instruments which it has created and which are now in operation does control currency and credit in Canada day by day, week by week and month by month. The only question is whether the proper methods of control of credit and currency are being used by the instruments which this parliament has created and which are under its own control for that purpose. On some future occasion I shall attempt to demonstrate that this function is being performed by the instruments which parliament created for the purpose, and that the control is real and continuous. My hon. friends in the corner will then have an opportunity—I am sure they want it—to tell us what their kind of money really is and how their control of credit and currency would function.

For my own part I find it difficult to understand any scheme for giving money or its equivalent to any part of the Canadian people without taking money or its equivalent in equal measure from the rest of the Canadian people. You may describe wealth in any terms you like, Mr. Speaker, but you cannot change that principle. At the present time in our economy, if we want to redistribute wealth—and in measure any old age pension scheme is a redistribution of wealth—we have one method whereby we can secure the wherewithal to do it. That is to tax all of the people in order to be able to give the proceeds of that taxation to some of the people. That is a very well recognized method, and if there is any more painless method which can be suggested by my hon. friends in the corner I am willing to sit at their feet and learn. But I must say that after reading all of their literature I have come to the conclusion that it merely involves calling things by different names and multiplying them. However, there will be a further opportunity to discuss that matter, I am sure, and I know my hon. friends well enough to know that they will welcome it just as much as I will.

Now, what will this cost, in terms of cost that are understandable to all of us. Our hon. friends of the social credit group have an advantage over the rest of us. They can understand quite easily what we mean in terms of cost; they function under the same system as we do; but all the rest of us find it

very difficult to understand what they mean in terms of cost. So let it be understood that what I am speaking of to-night when I speak of cost is in terms of cost in Canadian dollars accepted by the Canadian people as being capable of buying a dollar's worth from Halifax to Vancouver.

If we assume that the hon. member for Winnipeg North means by his resolution a reduction of the qualifying age to sixty-five—the resolution does not say that, but in his address my hon. friend indicated that this was what was in his mind, although I am quite sure that he would regard it as only a first step—then what would be the cost? And in this connection it must be remembered that the cost to the dominion for the coming fiscal year under the present old age pension scheme will be about $30,000,000. At the present time there are 175,000 persons receiving old age pensions in Canada. It is estimated that this number will be 177,000 by the beginning of the next fiscal year, on April 1. If we move the age limit from seventy to sixty-five, the total cost of old age pensions to the dominion alone for the next fiscal year will be over $48,000,000. It will be understood, Mr. Speaker, that in these figures I am not including the share of the provinces. It is necessary to add twenty-five per cent to the figures I have given as the dominion cost in order to arrive at the total cost to the country.

Mr. DOUGLAS (Weyburn): Does that take into consideration those who will come in during the next fiscal year who are not in now, or is that on the basis of those now receiving pensions?

Mr. DUNNING: The estimate of $30,000,000 for the next fiscal year is on the basis of what it is estimated will be the number during that year.

Mr. DOUGLAS (Weyburn): Not the number now?

Mr. DUNNING: The number now, as I indicated, is 175,000, and we are estimating 177,000 for the coming fiscal year.

Mr. HEAPS: On what percentage is the minister basing his figure? He stated this afternoon that approximately fifty per cent of those at present over seventy years of age are in receipt of old age pensions.

Mr. DUNNING: If my hon. friend will permit, after I get through with this point I shall give the percentages receiving old age pensions in each of the provinces of Canada, but I would rather finish the financial statement first. That is clear, Mr. Speaker. If we lower the age to sixty-five years, it is estimated that the cost to the dominion for the next fiscal year would be $48,000,000. If we lowered it to sixty years, the cost to the dominion during the next fiscal year alone would be $71,646,000.

We have to look to the future in connection with this matter of old age pensions from the cost point of view, and in this connection it must be remembered that the number of those seventy and over, according to the best estimates, will steadily increase during at least the next thirty years, the reason being that a large portion of our population came here as adults, or at least a large portion of our population being immigrants and not being born here, the number of old people will tend to increase for a considerable period of years to come. A study of different age groups in the last census returns of Canada will confirm this tendency. These figures of population have been carefully studied in relation to the number of those seventy and over who might be reasonably expected to be old age pensioners, judging by the experience we have had up to date. Thus we find that even on the basis of the present qualifying age of seventy, and on the basis of the payments presently being made, it is anticipated that the cost of pensions to the dominion in 1941, aside from administrative costs, will be $46,300,000; in 1951, $62,000,000; in 1961, $82,200,000 and in 1971, $92,800,000 without adding to the amount of pension and without reducing the qualifying age.

Mr. LAWSON: Those figures are based on age seventy?

Mr. DUNNING: They are based on age seventy and upon the average amount of pensions now being paid to the proportion of people over seventy, in each of the years which I have named, the same proportion of those now over seventy as are receiving pensions. That is a little complex, but I think I have made it fairly clear.

Just here I should like to remind the house once again that a declaration of policy by the government, as requested by the resolution, implies, I think, that the provinces would continue the proportion they are now paying. I doubt very much if many of the provinces would be able financially, at present at any rate, to stand the increased amount which would be required of them to make up their twenty-five per cent of what would be involved in such an increase. I know that a number of the provinces are having their difficulties to-day in carrying successfully the twenty-five per cent they are obligated to pay under the present agreements between the dominion and those provinces.

Mr. BAKER: Very likely the dominion government will have to give them the money with which to pay.

Mr. DUNNING: I have no doubt that every one of the provinces would welcome a declaration by the dominion that it would pay the whole of the added cost. I am reasonably sure none of them would welcome any other kind of declaration of policy.

I wonder if there is not, at least to some extent, a fallacy in that part of the resolution which assumes that the lowering of the pensionable age would increase the degree of employment opportunity for youth. Other speakers have touched upon that point. My own experience with men in industry who can retire on pensions associated with that industry, or people who could retire on pensions associated with the civil service, is that those people are most reluctant to retire on pension. The great proportion of them wish to continue working. Even those who in a great many instances would be practically as well off on pension as they are working, prefer to keep on working. How often have we heard it said that a man apparently in the full vigour of his late manhood, has retired, expecting to enjoy life for a number of years, but somehow or another he has not lived very long?

Many of us, I am sure, have had friends who retired expecting to enjoy to the full the later years in their lives, but who, because of losing the incentive, and because of losing the joy of work—because work is not a curse; it is a blessing—have found that instead of prolonging their lives have, in all too many instances, shortened them. To that extent I think there is a fallacy at least in degree in the latter part of the resolution.

Mr. DOUGLAS (Weyburn): The minister is talking about white collar workers, not manual workers.

Mr. DUNNING: Yes, manual workers, positively. I am speaking about manual workers; that has been my experience with them in industry.

Mr. SPENCE: Manual workers even more so.

Mr. DUNNING: Ask the executives of the great railways, which have pension schemes, how the men do their best to stay on, in some capacity or another, rather than go on pension.

I promised the hon. member for Winnipeg North that I would give him some information concerning the present percentage of those on old age pensions in the various provinces. The following table will set out the percentage of persons over seventy years of age who are in receipt of old age pensions:

	Per cent
Alberta	54·19
British Columbia	42·81
Manitoba	53·90
New Brunswick	61·23
Nova Scotia	51·53
Ontario	35·50
Prince Edward Island	31·22
Quebec	41·16
Saskatchewan	53·18
Northwest Territories	7·

Quebec appears to have done fairly well in the shorter time in which the scheme has operated in that province. Then, the figure for the Northwest Territories is scarcely a comparable one.

Mr. MALLETTE: Would the minister kindly state who supplied the figures for Quebec?

Mr. DUNNING: They are our own calculations, from the Quebec records.

I do not intend to take up much more time, but I should like to indicate what I sincerely believe ought to be our objective and our course with respect to the problem of old age pensions.

Mr. HEAPS: I asked the minister to give the house the figures on which he was making his estimate as to the increased cost involved in a change from seventy to sixty-five years.

Mr. DUNNING: I do not quite understand the hon. member.

Mr. HEAPS: The minister took as a basis that approximately fifty per cent of those over seventy were receiving pensions.

Mr. DUNNING: Yes.

Mr. HEAPS: Would he say there would be about the same percentage between the years sixty-five and seventy who would be entitled to pension?

Mr. DUNNING: Yes, the same proportion. The experience in other countries has been our guide in that regard.

In conclusion, I should like to give the house an indication of what I believe our objective should be with regard to old age pensions, and also some idea of the course I think we should pursue in attaining that objective. In the first place, experience in operating this type of social legislation, from the dominion point of view, convinces me that we should look towards a national scheme of old age pensions, nationally administered. I am convinced, in the second place, that the British system of making the lowering of the

age limit contingent upon the contributory feature is a sound objective to pursue, and that we should look in that direction. Indeed, I am one who believes that there is no limit to what can be worked out in the direction of lowering the age limit, provided we had a national scheme, nationally administered, and provided that the period below seventy years was made definitely contributory.

I think the experience of the British scheme gives us considerable data to work upon in that regard, and I believe that broadly our objective should be, as I have just stated, ultimately to reach a place where we would have a national scheme of old age pensions, nationally administered, and with the contributory feature prominently associated with any ages lower than the age of seventy, which is the present qualifying limit. I shall not attempt to go into further detail along that line. It would require quite a little time, but I believe that these objectives are sound.

Now, as to the course which should be taken to attain them. As I indicated at the opening of my remarks, at the present time we are in the position of not having legislative jurisdiction with respect to this matter. There are high constitutional authorities in this house of parliament who take the view that it is doubtful if we have the constitutional authority to pay the seventy-five per cent which we are now paying to the provinces. That view has been expressed on more than one occasion in this house and while I do not hold with it, at least it gives an indication of the difficulty surrounding the attainment of the national objectives which I have just described.

Therefore, we must somehow reach a place where the constitutional authority in the matter is beyond question, where this parliament can set up an old age pensions scheme of a type it deems to be desirable and also have the power to administer. When I say that, it must be remembered that I am not unmindful of the extra cost to the dominion that would be involved or of the fact that if this parliament assumes a burden which the constitution presently places upon the provinces, then this parliament must receive access to fields of taxation, sufficient to enable it to meet the added costs in a national way. If we undertake greater national responsibility, then we must have wider national fields from which to derive the revenues necessary to maintain those national responsibilities and national institutions.

My hope is that out of the investigation now being carried on by the Rowell commission into the financial relationships of our confederation there may gradually grow up an appreciation of those services which are essentially national, on the one hand, and those services which are essentially provincial and local, on the other, and that out of it there may come an agreement that we must have a readjustment, not only of the burden of function but also of the ability to secure from the Canadian people the wherewithal to discharge that function.

I congratulate the hon. member for Winnipeg North upon having brought forward this matter once more in the manner he has. I think the debate has been constructive thus far and I am not intending to close it. However, I did want to put before the house the viewpoint of the government based upon the experience we have had and also the hope of the government for the future with respect to the solution of this problem. I believe we would be hindering rather than helping the ultimate solution by plunging in the direction the hon. member for Winnipeg North desires us to plunge.

Mrs. MARTHA LOUISE BLACK (Yukon): Mr. Speaker, I do not think anyone in the house can fail to be most sympathetic with this resolution. While the resolution does not specify the granting of an old age pension at the age of sixty-five years, the hon. member for Winnipeg North (Mr. Heaps) has specified that as the age at which a pension should be granted. We all know that there are men and women of thirty-five years of age who through physical disability are perhaps older than other men and women of seventy or seventy-five years. We are not all constituted the same and we cannot all stand the same degree of work or anxiety. Eventually I dare say that this will be the age when these old age pensions will be granted.

I quite agree with the hon. minister who has just spoken when he says that any self-respecting man or woman would far rather work, no matter how difficult it may be, than have to rely upon a pension. If I had my health and strength I would not thank anybody for giving me a pension as long as I could earn enough to support myself. I do not agree with hon. members who say that the children should support their parents. We know that the great majority of children are ready to help their parents if it is at all possible, but after all these young people must make their way; they have their own children to educate, to feed and to clothe, and it is difficult for an older person to have to live on the bounty of his children or to have to live with the children or grandchildren. It is not that one does not love these children

or grandchildren, but the fact is it is much better that youth and old age should be separate.

As I advocated in the few remarks I made last year, I believe that the government should assume full responsibility for the payment of old age pensions. At the present time these pensions are administered by the nine different provinces. This government pays seventy-five per cent of the cost and yet does not have as much to say about the administration as the provinces that pay only twenty-five per cent. That is not just or fair. Of course there are chisellers, but in all walks of life you are going to find chisellers.

An hon. MEMBER: Even among members of parliament.

Mrs. BLACK: Do I hear "even among members of parliament"? That may be so, but I would not like to accuse the members in the far corner of being chisellers. I believe that one government should administer old age pensions. That would be more economical than the present method and there would be less danger of chiselling.

As I said before, some people of thirty-five years of age are as old as others at seventy or seventy-five years. The former member for the Yukon had a letter written to him not long ago by a man whom he had known in his early days in New Brunswick. This man said: "I think I am old enough to retire and you may be able to find out how old I am; I come from King's county and it may be possible that my birth certificate can be found." King's county was written to and the man's birth certificate was found and sent back. This man who thought he was old enough to retire discovered that he was eighty-three years of age.

Mr. DUNNING: He did not know it until then?

Mrs. BLACK: He did not know it until then. He thought he was around seventy years of age. When he discovered his real age, his friends were afraid that he would realize how old he was and become so exhausted that he would shortly pass away.

Of course I have always felt quite keenly about the administration of old age pensions in the Yukon. It is not a pension there; it is a dole. The Northwest Territories are administered directly by the federal government and the $20 per month is given as a dole, not as a pension. This is very irritating to self-respecting men or women. When they have paid taxes for perhaps forty or fifty years, they do not like having money handed out to them by the government, and have it called a dole instead of a pension. When Yukoners who have lived in the country for forty or fifty years feel that they want to retire, if they are able to work they do not get a pension. If they are unable to work they are given this so-called pension in the shape of a dole. If they say, "My family lives in Saskatchewan, Alberta, British Columbia or one of the other provinces and I would like to go there where I could live near them and my former friends on $20 a month," do they get that amount of money? No. If they go to any one of the provinces and live there a year or two they will receive a dollar or two a month, and until they have lived in the province for twenty years they cannot get the pension. That is neither fair nor just. They could live much more comfortably on the outside, and there are former Yukoners in every province of this country who are suffering under that injustice and who have asked time after time that it be removed. They have been a credit to the Yukon territory and to Canada as a whole; so why in the name of justice should they not be allowed a pension when they have moved to some other part of Canada? I asked the government to consider the administration of old age pensions in the Yukon on exactly the same basis as they consider the administration of old age pensions in the Northwest Territories.

Mr. A. W. NEILL (Comox-Alberni): I agree with the remarks of the hon. lady member who has just sat down, as regards men living in the Yukon. I have come across instances of gross injustice due to the conditions to which she refers.

I propose to support this resolution, not only because I was pledged to it in the campaign, but because I have always been of that opinion. I see that I made a speech in this chamber in January, 1935, setting forward the proposal made this afternoon in almost the same terms.

The hon. Minister of Finance (Mr. Dunning) has dealt fully and very fairly with the question of the increased cost. I accept his condition that it would be necessary, if we lowered the age, to put on a contributory basis that portion of it which applies to an age lower than seventy. I think that is the way it is managed in Britain; after seventy it is non-contributory, but between sixty-five and seventy it has to be contributory.

The minister held out—rather prominently, I thought—the bugbear that we could not get the provinces to agree to any further expenditure. That same argument was used here ten years ago, that the provinces would not come in; but we left the door open; we said, "You do not need to come in unless

you like," and they all one by one came in, and I do not think they would wait so long on this occasion.

If the minister would allow me one other criticism, he did not give any weight to this fact, that a large amount of that increased old age pension would be paid to people who would otherwise be on relief, anyhow; they have to be kept; they are at our door; they are starving or at starvation point; we have to deal with them, and we do deal with them. Several of the provinces adopt what is now a popular idea; they say, "We have balanced the budget," and they add in a lower voice, "all except relief," which is two or three or five million dollars. But we have to meet that problem some time, and we might as well meet it—I think it is best that we should meet it—by giving a larger class of people old age pensions rather than by putting them on relief. A man of sixty-five may be willing and able to work; but he cannot get work, and there is only one alternative—relief. Is it not better to hand out national money in the form of an extended pension than by way of relief?

With any proposal to reduce the age, and indeed even though the minister cannot see his way to reduce the age at the present time, should go very definite steps towards putting on a fair basis the existing act and existing regulations. The act is all right so far as it goes. The regulations are not impossible, but it is the variety of contradictory and unfair interpretations which are put upon them by the various governing boards in the different provinces that make the trouble.

The minister has said, "We cannot compel the provinces to follow regulations that we suggest to them; we must get them to agree." The man who pays the piper can always set the tune. When we are paying seventy-five per cent of a given expenditure, it is always open to us in the future as in the past—we did it ten years ago—to say, "You will conform to these standard regulations as you have to conform to the standard act or you will not get anything." I believe the dominion government has very largely the power, if it chooses to exercise it, to effect a more uniform and more reasonable interpretation of the regulations. The minister dealt broadly with this, so I think it is pertinent to the subject to allude to what I frankly call the rotten interpretations which have been put upon the regulations not only in the province I come from but in other provinces. In British Columbia we have the Parents' Maintenance Act, which compels children to maintain their parents. Prior to some three or four years ago—they have now stopped the worst feature—the British Columbia managing board said to the old man or woman, "Go and sue your child or children. We will not give you any pension; we will not consider giving you any pension until you have produced an order from a competent court to say that the child is unable to support his parents." I have in my possession a letter in which they definitely say, "We will not give that man an old age pension unless he sues his child." I went and saw the child and found that he was living on six dollars a month relief. I admit that the British Columbia board has been shamed into abandoning that feature of their manoeuvres, but they are doing it just as badly in a roundabout way. They say, "Oh well, we are sorry, but the regulation now says we must take into account contributions by children." Here is the wording of it:

—which may reasonably be expected to be made by them.

Perfectly proper language, surely. But how do they interpret it? They interpret it in this way: They say, "This man has three children. He can reasonably expect to receive so much money from each of them. Therefore we will not give the old man (or woman) a pension." But somebody comes along and says, "Yes, but the children are not able to contribute. The son has a family of five children, and if he is not on relief he is drawing only a small wage. The second child is an invalid, and the third is on relief; therefore they are not able to support their parents." Obviously they cannot. But what does the board reply—and I have letters which confirm my statement—"We do not care anything about that. All we know is that this parent might 'reasonably be expected' to receive so much from that child, or those children, and therefore we will not give him a pension." They do not say any more, "Go and sue your child"; they simply leave it in that position, and the pension is withheld. They should grant the pension, and in the odd case of children able to support their parents and neglecting to do so, the board itself should sue the children.

I desire to touch on only some of the worst features. Another of the regulations is that in valuing the property of an applicant who does not have any income—if he receives any income he is, quite properly, charged with it—he shall be regarded as having an income equal to five per cent of its value. On the face of it that may seem just, but the way it works is extremely unjust. A lot of us in British Columbia bought land in the days when optimism was very flamboyant; we have the land and cannot pay taxes on it, and we

get no income out of it; it is assessed at five times its market value. Suppose a man has some land like that, assessed at $3,000; five per cent on that is $150, and then there will be $50 of taxes to pay out. But the board says to that man, "You have an income of $150 from that land." The poor old man says, "But I have not; it is a source of loss to me; I have not been able to pay the taxes and I do not get one nickel from it." Nevertheless, the board says, "You have an income of $150." I know of many instances where that interpretation has prevented a person from getting a pension at all. You cannot live on theories and fictions. They say to that old man that he has a fictitious income of $150 and they expect him to live on that. Let anyone try it.

There is one feature of the matter, speaking of the British Columbia government, that I blame them wholly for, namely the way in which they have worked it out. The dominion government said that in valuing the land regard should be had to its assessed value or its market value, whichever is deemed the more equitable. Originally it did not say that; it spoke only of the assessed value. But it was found by experience that that was unfair. In Ontario it was found that the land was often worth more than the assessed value, so that it was changed to read the assessed value or the market value, whichever was deemed the more equitable. That is plain, and the British Columbia board refuses to obey the definite regulation. They will not take into consideration the provision, "whichever is the more equitable."

The real reason for the refusal is that they do not want to have the trouble involved, because if they took the market value they would have to make inquiries. It would not occur very often; but it would occur, and so they say it will save them trouble and they take the assessed value. Then, when I go and point out that the assessed value is five times the market value, they say, "Oh, no, Mr. Neill; you are impugning the integrity of the provincial officers, who are sworn to do their duty. They say that the property is worth $3,000 and it must be worth $3,000." I put before them an instance of my own personal knowledge where I was assessed $5,000 for some land. I appealed and took it to the county court—it was a town—and the assessor refused to go into the box and swear that the land was worth $5,000 because, as he truthfully remarked, "We all knew it is not worth that." The result was that it was cut down from $5,000 to $1,700. That is an illustration. The land is all assessed at far more than the market value. You can easily understand that, because it has not been materially reduced for a number of years, whereas the market value has gone down enormously.

Now, that is something which the dominion government should insist on: they should say to the British Columbia government, "You must abide by the dominion regulations which we have enacted and to which you have agreed." Some of these instances I know personally; others have only been told me, but by people on whom I thoroughly rely. For example, one province refuses to accept an affidavit except from one resident in the province at the time the affidavit is made. I have personal knowledge of that. They have held up a pension for a time because the man had left the province for fifteen years. He had a reputable man, a minister of the gospel living in British Columbia, certify to his residence in the other province, but the other province would not take his affidavit unless the certificate came from someone at the moment resident in that province. What is the sense of that, or where is the justice of it?

I wrote to the board in one province with regard to one man asking why they gave him only $15 a month. I asked whether there had been any reduction on account of income. The man in charge wrote back to this effect: "No. We give him $15 because we think that is plenty for any old age pension." "Pardon me," I said, "the dominion regulations say that if a man qualifies by residence and property—and you do not deny this—he is entitled to $20." But he insisted that $15 was sufficient for anyone. Moreover, he informed me that the administration of the act had given him satisfaction; he believed that he was carrying it out in accordance with justice, probity and so on; and he ended by saying, "This correspondence will now cease because we do not think that any good will come of it, and you are wrong. We will do what we think fit. If we chose to give him $5, we could."

I was not satisfied with this and I got the opinion of one of the best lawyers in Canada and flashed it at him. The result was that he climbed down and gave the old man $20. As a matter of fact they had been going on for years in the conviction that they could give anything they liked, and that there was nothing to stop them from giving anyone $10 if it happened to suit their whims.

Another province takes a lis pendens against the pensioner's property the day the pension is granted. Another refuses to pay so long as the applicant owns anything that can be turned into cash in excess of $30. In British

Columbia they demand a statement from a woman's son-in-law. The Parents' Maintenance Act provides that children must support their parents, but it says nothing about sons-in-law supporting mothers-in-law; and yet there must be the most intricate statements as to what the income of the son-in-law is for a whole year and three months separately as well. Affidavits must be obtained from employers, all of this being embarrassing and occasioning delay. There are a number of instances like this in which there is neither British nor any other kind of justice, and I think the dominion government should formulate regulations and compel the various provinces to adhere to them.

I heard a demand made this afternoon for a reduction in the age limit, and in the same breath the gentleman who made that demand stated that it was imperative that the pension should also be increased. That is a popular declaration among a certain number of poor people who think only of their own interest and cannot see a yard in front of them. But a member of the house who puts up that argument, asking for an impossibility of that kind, with the sure and certain knowledge that the dominion government must turn it down, so that he can go back to the country cherishing and brandishing this grievance and saying, "There is your government for you; they turned it down"—either that member is doing it deliberately or he is acknowledging that he is not fit for the position of statesman in Canada to which we all would aspire, and he has no sense of his responsibility beyond the interests of his own particular parish. We all know that the Minister of Finance (Mr. Dunning) cannot do that; he cannot reduce the age limit and at the same time increase the pension.

I would suggest two things: first, make pension regulations more reasonable and so inform the boards. I recall, when the present leader of the opposition (Mr. Bennett) was on the government benches, we brought up some question in connection with soldiers' pensions. He admitted that there was an injustice and he said it would be remedied. Months later we asked whether he was going to bring in legislation to deal with it, and he said in his brusque way, "No; I have looked into the matter and all that is needed is a common sense interpretation of the military regulations. I have had a word with the chairman of the board and there will be no more trouble." And there was not. That is all I ask the minister to do. Tell these boards that while they are there to see that no one gets a pension to which he is not entitled, they are also there—and this they ignore entirely—to see that everyone who is entitled to a pension gets it. I cannot say that of the British Columbia board.

Mr. DUNNING: You appreciate the fact that they are not under our jurisdiction.

Mr. NEILL: Yes, but this can be done by means of regulations. You can say to them, "Here are our regulations; abide by them or we will not pay the seventy-five per cent." The man that pays the piper calls the tune.

In the second place, I would suggest that the minister reduce the age to sixty-five. Third, if it is necessary—and I believe it is—let there be instituted some system of contribution at the younger ages so that as they grow older they will have paid part of the extra cost. I have heard rumours of reduction of taxation in the coming budget; we should all like to see that, but perhaps it would be better and wiser and more fair to keep the taxes as they are for another year and cut the age for pension down as indicated. The cost would not be all lost, because there is no question that whether you call it relief or old age pension these people of sixty-five are on the shelf; they cannot get work and we cannot let them starve;they have to be kept and it would be better for their self-respect and our dignity to do this in the form of old age pension.

I appreciate the fair manner in which the minister spoke. He put both sides of the case fairly, and I appreciate the sympathy he personally expressed, which I am sure is quite sincere. I hope he will allow this resolution to pass, because it is not mandatory; it asks him only to look into the matter, and it would be at least an indication of our united sympathy with the object in view.

Mr. J. R. MacNICOL (Davenport): The resolution before the house has been very well debated and I doubt if I can add much to what has been said. I should like first to compliment the hon. member for Winnipeg North (Mr. Heaps) upon his resolution, which brought from the Minister of Finance (Mr. Dunning) the very fine statement he made to the house to-night. I enjoy listening to the Minister of Finance. Every time he makes an excellent speech such as we heard to-night I say to myself that if, when he came to Canada, he had only settled in Ontario instead of Saskatchewan, he would have been a stalwart of the Conservative party in Ontario instead of in the Liberal party of Saskatchewan.

Mr. YOUNG: Would you have a good man ruined?

Mr. LAWSON: He wants to redeem him, not ruin him.

Mr. MacNICOL: I believe the hon. member, who just took his seat (Mr. Neill) referred to administration, and someone speaking earlier also said that there is a great deal of room for improvement in the administration of the act. I am convinced of that. There is a lot of chiselling in connection with this act. I might give two or three examples that I have come in contact with myself, and I have no doubt the number throughout Canada is legion. I have in mind an executive in a large manufacturing company who draws a large salary, but his mother, an aged widow, is an old age pensioner. If the act permits that, it is too bad. That certainly falls below what we should expect of Canadian citizenship.

Another instance I know quite well is that of a big merchant, whose mother and father are both on old age pension. One would think if that man had any pride in himself or in his country he would not permit that. Another instance I know, is that of a family in which there are three sons; they all belong to the professions and appear to be doing very well; they live in three fine houses, but their mother and father are also on old age pension. That is what I call chiselling. These are only examples of a large number. Any man in circumstances such as these who permits his parents to be on old age pension does not measure up to the standard a real Canadian should have. That is chiselling, and I am sure a great deal of money is wasted in this way.

Some hon. member said something about the Australian act. My memory is that in Australia the old age pension act covers everyone who reaches the statutory age, which I believe is sixty-five; but it is necessary to apply for the pension, and of course a large number of people who are comfortably off and able to take care of themselves do not make application. Another hon. member referred to workers under the railway unions and made a comparison between them and the ordinary working man. There is in fact little or no comparison between a conductor or engineer or fireman on a railway, belonging to the most powerful of the labour unions, which look after the interests of their members at all times, and a workman in a factory who is subject at any time to be laid off owing to a falling off in business. The cases are in no way parallel. Someone says that the railway pension schemes are contributory, but I know that railway conductors are retired at a certain age and have not contributed at all. I know some myself; whether or not that is general I do not know.

Then someone asked, "Where would the money come from?" Of course that is an important problem. In looking over the old age pension legislation in ten of the United States, I observe that where the state has to raise fifty per cent of the cost of old age pensions, they have in some instances imposed new types of taxes to support this scheme. In one state they have added two cents a gallon on gasoline, and the federal government has added a tax of one cent a gallon on gasoline throughout the whole United States. It is certain that if this government does at any time embark on a scheme covering people reaching the age of sixty-five, no taxation should be considered that will add to the taxes on land, which is the municipal tax, or the taxes on business, both of which to-day are already overwhelmed with taxes.

The other Toronto members have doubtless all received to-day schedules such as the one I have received. Glancing over it I note what the city of Toronto has paid for unemployment relief in the last four years: 1933, 1934, 1935 and 1936. The gross expenditure was $34,308,585, of which the federal and provincial governments paid $21,981,029, leaving a net charge for the city to bear out of the only means of taxation it has, land, incomes and business, amounting to $12,327,556. I see further that while the city at the commencement paid unemployment relief out of yearly income, during the last four years they found it impossible to do that, and have funded the unemployment relief by five-year serial debentures to the amount of about $10,622,242. That means merely deferring the payment. So that this government, when it does embark on a scheme in accord with the resolution certainly should not levy taxes on either land or business, because business to-day is struggling under a heavy burden, and taxation on land is so high that scarcely anyone can be persuaded to buy property and build on it. One of the great causes of unemployment in the cities is the fact that there is much idle land on which no one is building because the tax rates are so high.

Then I find that a great many of the workers who have been unemployed during the recent years of depression, and who were not old enough to draw old age pensions, are losing their homes. It seems strange that when a man is out of a job and is without any income, everything he has to do adds cost to him. I have in my hand a bailiff's statement to a gentleman of my acquaintance. I shall not give the name; that is neither here

nor there, and in any case he is only one of thousands. His tax rate for the year was $73; but when he got behind there was a penalty of $3.60 added on; there was interest and there were the bailiff's charges, all of which meant an added amount of $17.15, so that his bill was for $90.15. So many of those who have been unemployed for several years and who are under the pensionable age are losing their homes. Had the age been reduced to sixty-five, it is possible that many of these men would have been able to retain their homes.

The minister spoke of the contributory unemployment insurance system they have in England, and I am one of those who believe the time is not far distant when this and every other government will have to adopt some sort of scheme whereby they will make up domesday books, if one can so call them, which will contain the record of every worker from the day he commences to work. If he commences at the age of sixteen his name will go down in the book, with his age and the name of his employer, and a ledger account will be opened for his contributions. This cannot be done in these times of depression, with so many thousands of workmen unemployed, but it is something to look forward to. I believe the minister has the same thought. In England the contributors to the old age pension scheme have reached a new high figure. To-day I believe there are about 18,000,000 British workers under the contributory old age pension scheme. The worker himself contributes nine cents, in the case of a male, and the employer contributes nine cents; in the case of a female the contribution by the employer is five cents and by the employee four cents. The measure has worked very satisfactorily there; but, as I have said, it could not be placed in operation in Canada under the conditions that exist here to-day. So, as far as I am concerned, certainly I shall welcome any scheme the government may bring forward that will lower the old age pension limit, and I endorse what was said by the mover of the resolution, that perhaps sixty-five would be the proper age at which old age pensions might be received.

There are perhaps six good reasons why the age limit should be lowered during a time like this. The first reason would be that due to the combines and mergers which have taken place during the last few years a great many men have been laid off when between the ages of forty-five and fifty. During the depression they remained off, and probably never again will gain employment. I have in mind two companies that were merged. I remember that in one company about thirty men over the age of forty-five were laid off by the company which purchased the plant in which they worked. So far as my knowledge goes, while some of those men may have had the occasional day's work, the greater number have had nothing to do from the day they lost their jobs. Not only have they been a charge on their families, but quite a number of them have died. I remember hearing of the death of one the other day, at about the age of sixty-five. That man had not had a thing to do for the past eight years. I met him on the street many times and I never saw him when he did not seem to be a physical wreck, worrying his poor heart out because he had nothing to do. If the old age pension qualification had been less than seventy he would not have benefited to any great extent, but he kept looking forward to his seventieth birthday, although saying all the time that he would never reach it.

Another reason would be the depression itself, and coupled with it the fact that in this country we have not unemployment insurance. I visited the labour offices in the old country: I went to the labour department and talked over unemployment insurance with the deputy minister. In the course of our conversation I asked him as to what would happen when the present vast employment in munitions factories ceased. He replied that the unemployment insurance scheme in the old country would have laid up enough money to keep the vast majority of those who became unemployed for some years after they were laid off. We have nothing like that in this country, and for that reason I think the age limit should be lowered.

The mover of the resolution referred to the governments, and he might even have referred to the municipalities. The federal government itself sets the age limit at which civil servants may be appointed at thirty-five. Fire departments, I believe, have made the age limit of appointment twenty-five. The police department may go a year or two beyond that, but not very much. So in this age it has come to this, that when a man becomes over twenty-five or thirty-five years old, he finds himself shut off from employment by an age limit. Fortunately many municipal bodies have their own old age retirement schemes. The federal government has one such scheme, and many municipal police and fire departments have followed that example. It does seem strange to me that in all these sheltered jobs, which men hold through rain or shine, through sick-

ness or health, even when they have the chance to retire on a large pension they do not wish to do so. A sheltered job certainly has a great advantage, but the worker in the plant has no such thing. His job at all times is precarious. In my time in business I have seen that statement borne out many times. In addition to that, as everyone knows, in its draft conventions the international labour office stated that the age limit for drawing old age pensions should be not over sixty-five.

Then, as was mentioned this afternoon by the hon. member for Grey-Bruce (Miss Macphail), there are many who are badly crippled in one way or another. At the moment I have in mind a man sixty-three years of age, who is looking forward to his seventieth birthday so that he may draw an old age pension. Through spinal meningitis or some other disease of that kind he became a terrible cripple when he was a boy, and since that time he has been unable to stand up. During all his lifetime he has had to walk on his hands and knees. That is only one example of cripples of one kind or another who would welcome the reduction of the old age pension age limit from seventy to sixty-five years.

We have the examples set by other nations, to which reference has been made by previous speakers. The United States measure of 1935 was a federal one. The federal act was adopted because prior to that year the states had adopted old age pension acts which were somewhat different in each state. To ensure uniformity, in 1935 the federal government passed the federal measure by which they granted, to each state adopting the federal measure, fifty per cent of the cost of operation.

It has been stated that there is a contributory scheme in the United States but, although I have read the act carefully, I cannot find it that way. However, that may be the case. The federal government pays fifty per cent of all operating costs, and the states are supposed to raise the rest of the money. Perhaps hon. members would understand the situation better if I were to read section 124-a of the laws of New York, as published in 1936. This New York State act is copied from the federal act, and reads:

> 124-a. To whom old age assistance is to be given. Old age assistance shall be given under this article to any person who
>
> (1) Shall have attained the age of 65 years.

The age of sixty-five is, as far as I know, the age limit under all state acts. I believe nearly every state of the union has adopted that age limit. To continue:

> (2) Is unable to support himself, either in whole or in part; and has no children or other person able to support him—

I am convinced that that is an important point. If children in Canada can support their parents, without hardship to themselves, they should be compelled to do so. Pension acts were never intended to support parents of men who have ample means to take care of their parents. Then:

> (3) Is a citizen of the United States;

Then, paragraph 4 is different from the provision in Canada. It reads:

> (4) Has resided in the state of New York for at least five years during the nine years immediately preceding his application for old age assistance.

In other words, as I understand legislation in the United States, any United States citizen of nine years standing is eligible to draw an old age pension in that country. In Canada the period is twenty years, a provision about which I shall speak in a short time. Then:

> (5) Has resided in and been an inhabitant of the state for at least one year immediately preceding the date of application.

With respect to the provision that a man or woman must be a United States citizen for at least nine years, let me point out that the British act states that a British subject residing in Great Britain for twelve years will be eligible to draw old age pension. I know many old country people and people from Newfoundland, a British possession, who have been residing in Canada for longer periods of time, but who do not receive the benefit of old age pensions. I have two old people in mind, one of whom has been here fifteen years and the other eighteen years, and both of whom are more than seventy years of age. Under our system, notwithstanding their great age these old people—and they are only two among many—are denied the benefits of old age pension. That is one matter I would urge the government to consider when it has amendments to the act before it. I should like to see this consideration given to people of British citizenship—and I use that expression only because similar stipulations were made in the English and United States acts—when the government is considering lowering the residence provision. Probably the government would consider reducing the residence period by two or three years, so that the period might be brought down to around fifteen years, and would thereby be made to conform more with the British and United States acts.

As the mover of the resolution has said, in nearly every country of the world where old age pension laws exist, the age limit is sixty-five years. We realize that the English measure

provides for a seventy year limit, but for many years they have had a contributory plan through which, having made contributions, about 18,000,000 Britishers are eligible to draw old age pensions.

May I take this opportunity to register my support of the principle of the resolution. I am glad I have had the opportunity to congratulate the Minister of Finance upon the first-class presentation he made.

Mr. J. A. MARSHALL (Camrose): Mr Speaker, when the hon. member for Cochrane (Mr. Bradette) was speaking, I had a feeling that the discussion would resolve itself into a debate on social credit. This feeling was further accentuated when the Minister of Finance (Mr. Dunning) took up a great deal of his time in speaking on this particular subject. I say to the minister that I have the authority of the Social Credit group to accept the challenge he has thrown out to us to discuss fully the principles of social credit. I sincerely hope that he will make an opening for us so that, before the present session of parliament closes, we may be afforded an opportunity of discussing in full this very important matter. I can assure him that we shall welcome that opportunity.

Mr. DUNNING: Perhaps the hon. member would permit me to say that I cannot prevent hon. members from discussing it on any one of several occasions which present themselves automatically under the rules of the house, as the business of the house progresses. When I say that I welcome an opportunity, I am not conferring a favour; I cannot confer that favour. The rules of the house afford the opportunity, and I would welcome hon. members taking advantage of it. I am not in a position either to give or to withhold that favour, and I should not like hon. members to feel under any obligation to me.

Mr. MARSHALL: It was my understanding that the Minister of Finance said he would be prepared to enter into a full dress discussion of social credit. Possibly I misunderstood his meaning.

Mr. DUNNING: I think you did.

Mr. MARSHALL: Then I regret I made that mistake. Without wanting to become obnoxious, let me assure him that on all occasions we shall endeavour to bring before the house what we believe to be the only solution to the economic ills which confront this country.

There are just two points in the address of the Minister of Finance which I should like to touch upon very briefly. I am not prepared to enter into a full discussion of the matters he dealt with as they are too broad in scope. I believe I am right in saying that the minister was very careful to avoid admitting that there exists among those who are over the age of sixty years a condition which should be remedied. The next point is that, if we assume that premise to be correct, the financial condition of the country will not permit a scheme of this kind to be carried out. To me that is a definite admission that it cannot be done under the present economic set-up. I know that what I have to say matters little to the members of the house, but what was said this evening mattered a great deal to those of us who sit here as members of the Social Credit group. Repeatedly we have brought to the attention of the house the submission that this government should take control of currency and credit and use it in terms of public need. This afternoon we had the admission from the Minister of Finance that he as Minister of Finance of the country has control of currency and credit.

Mr. DUNNING: No. I know my hon. friend does not want to put words into my mouth. I did not say that.

Mr. MARSHALL: That is what I took it to mean.

Mr. DUNNING: If my hon. friend will read Hansard in the morning I am sure he will not get any such impression.

Mr. MARSHALL: I shall be glad to leave it until we get Hansard in the morning.

Mr. DUNNING: I said that this parliament had created the instruments to control the credit and currency of this country. I did not say that I controlled it, although I suppose I am one of the instruments.

Mr. MARSHALL: Which is an admission that the Minister of Finance on behalf of this government controls currency and credit.

Mr. DUNNING: No; I did not say that either. I wish my hon. friend would not persist in misrepresenting me.

Mr. MARSHALL: I do not think anyone in the house can question the fact that the care and protection of the people of this country is a most important thing at this time. The cause of the young people has been constantly championed in the house and this government has made a move to do something for them. A section of the national employment commission which was set up has studied this problem and a solution of some kind has been offered. If we consider that youth has a problem, surely we must

recognize that those who are on the wrong side of forty-five years have problems just as perplexing and just as difficult of solution as those facing our youth.

It is an unquestioned fact that the age limit in industry to-day is somewhere around forty-five years. I think it can be definitely stated that the majority of people over forty-five years are in a state of unemployability. I believe the resolution introduced by the hon. member for Winnipeg North (Mr. Heaps) is one of the most important introduced in the house at this session. However, it looks very much to me as if it were going to be talked out. In all probability this discussion will not be completed. I should like to see this resolution go to a vote in order that we may find out the feelings of hon. members on this important matter. This is a matter of national importance and as such it should claim precedence over everything else.

I believe we should establish once and for all whether or not there exists among our old people or those who have passed the age of, shall we say, fifty years, a condition that requires immediate attention. Once we have definitely established that fact; once we have agreed that such a condition exists, then we should work together to find a solution. The present distressing conditions which prevail throughout Canada and which have such a deadly grip upon our people are traceable directly to our faulty economic system. In my judgment it is not only foolish but asinine to think that these people can solve their own problems by their own efforts. It is sad to think that these respectable old people who have reached the peak of their usefulness in life have nothing to look forward to except the poorhouse or the dole. It is not surprising that these people are dissatisfied with conditions as they now exist. They look to us who sit here in this parliament to find a remedy and to stay here until we do.

I must say that I cannot agree entirely with the latter portion of the resolution which states that the giving of this allowance or pension to the older generation would retire them from industrial activity, thereby creating opportunities for the younger generation to be usefully and gainfully employed. I believe that Canada would suffer an irreparable loss if we were to force men and women who have reached the age of forty-five, or fifty, or sixty, to give up their labours. The loss would be especially felt in such branches of work as jurisprudence, the sciences, art, music and pursuits of a like nature. The average age of men who do their best work is fifty years. The best work of the workers has been done by men around the age of forty-seven years, whilst that of the thinkers is about fifty-two years. There is a tendency to-day towards the idea that men and women who have passed middle age should be eliminated from industry in order that the younger and more aggressive people may be given a clear chance in the rush to the front.

What are the objections to granting a pension to people over sixty years? Two major objections have been advanced. The first one is that it is entirely a provincial matter. I agree. But what happens when a provincial government endeavours to legislate in an attempt to bring economic security to its people? The legislation which that government considers essential and of vital importance towards attaining this economic security is promptly disallowed by a higher authority. We all know that this has been done in the case of Alberta.

The second objection is that it would mean added expense; that it would raise the taxes. May I say that from the standpoint of orthodox economics I entirely agree, and I further admit that we should guard against increasing the tax burden, against placing on the shoulders of future generations burdens which we find ourselves unable to bear. So I believe that at this stage of parliament we should first of all decide whether or not the need exists. I venture to say that if I were to question all hon. members of the house, they would tell me that the need does exist; but they would wind up their answers by saying, "Where will all the money come from"? I hope that before the end of this session this group will be able to show where it comes from at the present time. If the need exists we should put it up fairly and squarely to the Minister of Finance. He in turn should put to work those experts who are in his department and give them the problem. If those experts are not able to give him a solution; if they cannot tell him how it can be done without increasing taxation, I suggest to him that he fire them and get new ones. To-day the Minister of Finance can find subsidies for steamship companies; he can absorb the deficits of the Canadian National Railways; he can find millions for defence; he can provide at least a quarter of a million dollars for commissions to investigate the textile industry and wheat marketing; but he admits tacitly that this is a problem which is entirely beyond solution.

May I say that a pension to people over the age of sixty would be one of the best means I know of for distributing purchasing power. We would be able to get goods moving off the shelves on which they are resting at the present time, and that in turn

would move the wheels of industry for the manufacture of more goods; in fact I am satisfied that every community, every constituency in Canada would directly benefit by a scheme of this kind.

In conclusion, I desire to read part of the report which was submitted by the veterans' assistance commission, which consisted of Colonel Rattray, Lieut-Col. de Martigny and Mr. Robert Macnicol. On page 36 the commission has this to say upon the subject of old age pensions:

> Old age pensions are now dominion wide. Although administration is under the control of the provinces, and to that extent variable, there is little in the working of the present act that is open to criticism. We feel, however, that it is time there was a thorough revision of the basis upon which this act rests.
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> We trust that in making these observations we shall not be accused of exceeding the bounds of our inquiry. The interests of the veteran are tied up with the interests of the body of citizenry at large and are affected to an equal degree by any short-coming of general social legislation.
>
> We feel that the age at which the old age pension is available is too high. In view of the intensity of modern industrial conditions and the greater speed of all our life, the man who has reached the age of sixty-five is entitled to a period of rest. Not only is he entitled to it, but there is an excellent chance that it will be forced on him. As we have already observed, few industries will now employ a man over the age of fifty, and most industries are weeding out their men at sixty-five. Tradesmen also usually slow up when they get to that age. Although we believe in the reality of the pre-aging of those who saw active service, we feel most insistently that a very large number of older civilians are doomed by present legislation to a mere existence for a space of years on the charity of relatives and friends.

If the age limit at which old age pensions are available were reduced to sixty-five, this would eliminate much social distress while at the same time making room for younger people. But the greatest fault in the present old age pension law is its restrictiveness. It is confined to the indigent and to that extent serves as a reward for indigence. In effect it tells the citizens of Canada that if they have been reckless in their expenditures, careless of the future and slothful in their daily affairs, the state will reward them at the age of seventy with a pension; but if they have been industrious, sober and careful of their resources, the state will tax them at the age of seventy for the support of those who have been indigent. Nothing could be more calculated to discourage thrift and encourage thriftlessness than such a law. The only escape from this dilemma is for the state to pension everyone at the age of seventy, or at the age of sixty-five as the case may be, and put these pensions on some contributory basis.

[Mr. Marshall.]

The Dominion of Canada does not inquire of its civil servants when they reach the age of superannuation whether they are millionaires or paupers; it pensions them all on the same basis. It may be argued that this is merely a retirement plan to which the civil servant has contributed. Why should not the old age pension be the same?

In conclusion, may I say this, that we have been labouring under the economics of scarcity too long. It is about time we planned our economy to distribute the abundance which lies around us everywhere and which a bountiful Providence has bestowed upon us.

Mr. LIGUORI LACOMBE (Laval-Two Mountains (Translation): Mr. Speaker, notwithstanding the humane object of the resolution presented by the hon. member for Winnipeg North (Mr. Heaps) I do not at this time feel like supporting it. I think we would be better advised to look first into the grievances voiced by old people in some parts of the country.

The dominion government, contributing seventy-five per cent of old age pensions, has not only the right, but the imperative duty to see that the law is administered on a sound basis. Before considering any amendment concerning the age limit of old people, good administration of the act must be assured. The guiding principle in the distribution of old age pensions ought to be a high sense of justice, regardless of any other motive. Undue preference and favouritism must yield to legitimate requests and to the needs of our old people. Further, the administration of this act appears to be so difficult that any amendment with a view to fixing another age limit would result in making conditions worse. I realize that it is not always easy to judge the case of an applicant on its merit. This task is all the more difficult as there seems to be a conspiracy on the part of certain applicants in order to get a pension to which they are not entitled under the act. Thousands of dollars could be saved through preventing abuses. I would suggest to the dominion government the appointment of revising officers or inspectors, even if the only purpose of saving public money could thus be served. These officers would look after serious complaints and report doubtful cases and abuses to the proper authorities. An important part of their work should consist in supervising the administration and operation of the Old Age Pensions Act.

In all fairness to the population of this country, those applying for old age pension should comply with the provisions of the act. On the other hand, justice and law

should have precedence over petty interests trying to evade a fair interpretation of this important social legislation.

There is another aspect of this question that I wish to bring to the attention of the house. Are not the provinces, particularly in this period of stress, already overburdened by the administration of laws coming under their immediate jurisdiction. Notwithstanding their sense of duty, their good will and their spirit of self-sacrifice, it is easy to understand that the arduous duties inherent to their particular functions require their undivided attention. Moreover are the provinces in a position to exercise the necessary supervision on exploiters of all sorts who frequently take advantage of our social legislation?

Personally, I know of no authority better qualified to examine applications for old age pension than our municipal councils. In many cases would not the assessment roll tell the true story about the indigence of an old person? Information could easily be secured from the population of towns and villages should the assessment roll fail to give an accurate account of the case. Therefore, under the circumstances, not only should municipal councils be consulted in the matter but they should pass over the applications for old age pensions and report to the authorities.

Mr. Speaker, we must put a stop to abuses, exploitation and injustice in the administration of the Old Age Pensions Act. We must prevent scoundrels from exploiting old destitute people and selfishly depriving them of their rights. It is the duty of the government to protect the treasury and to safeguard the interests of elderly people applying for the pension to which they are entitled.

Mr. JOSEPH NEEDHAM (The Battlefords): You must be thinking, Mr. Speaker, that by this time all that is necessary to be said has been said, and so I shall not take up many minutes prolonging this discussion. It is really interesting to follow the various speakers and the different points of view they bring out. I have no doubt the government will analyse the whole situation and perhaps evolve some practical solution on which to act, because unquestionably this is a pressing problem facing the country.

This government realizes, I am sure, as do all the provincial governments, that one of its first responsibilities is the care of the citizens whom it governs. The care of the aged should be its first and deepest concern. I am satisfied that as the years go on this problem will increase. There is no doubt that as people get on in years they will be replaced more and more not only by youth but by machines. These old people must be cared for either by the federal government or by the provincial governments or by the municipalities in which they live. We see that during slack times many are laid off; then when there is a slight increase in employment the younger man gets the position and the older man cannot get back. In the discussion this afternoon many have expressed the view that the machine is one of the chief causes of this state of things. I agree with them. We read of more and more new machinery being set up, and its effect on the working population is tremendous. I believe we shall have to recognize the principle that where a machine takes the place of workers, that machine should in some way contribute to their support.

The late King George V on the morning of his jubilee appealed to the citizens of the British Empire to do all in their power to create employment and relieve the distress then prevalent. Two days before he gave that address there appeared in the Winnipeg papers the statement that the Bank of England had just laid off one thousand clerks, having put in machines to do the work. The ages of these clerks were between twenty-six and thirty-four, and the Bank of England recognized its obligation to those discharged employees and offered to give each of them either a lump sum of $10,000 or $10 a week as long as he lived. Seven hundred of them took the $10,000; that amounted to $7,000,000. The other three hundred took the $10 a week for as long as they lived. According to British life insurance tables the average life expectancy of those three hundred men is thirty-seven years, so that in the thirty-seven years the bank will pay for those three hundred the sum of $5,500,000. That is a total of $12,500,000 to those discharged employees. There is a principle which I believe every government and every employer of labour who replaces his employees with machines must reckon with. It will be said that was a very generous gift, and it certainly was. What about the successors of these thousand employees? We must leave them out of the question. But this article went on to say that in nine years those machines saved to the Bank of England all they will pay out to these clerks in thirty-seven years. And in the thirty-seven years the saving to the bank will be $32,950,000, placing the wages of the thousand employees at $30 a week. So we see what the machine means to the employer. But there is a principle which must be recognized and dealt with in some way. When labour is replaced by the machine, I believe the government has a claim on the saving sc made.

Now let us look at this problem from the standpoint of the individuals concerned. Take two young people starting out in life with equal opportunity and equal advantage. They both obtain employment; both acquire a certain measure of wealth. One establishes a home and raises a family; the other does not, but invests his savings in bonds or securities. When they reach the age of sixty-five, one has invested his dollars, but the other has invested something more valuable than money; he has made a contribution to Canada that the other has not. Which should have the first consideration from this country, the man who invests his dollars and gets the interest, or the one who invests in a home and gives Canada sons and daughters? At the age of sixty-five the one may have his home sold from over him to help keep up the interest payable to the other. That shows the real bearing of this problem.

I was interested in the remarks of the hon. member for Comox-Alberni (Mr. Neill) regarding defects in the regulations and administration of the present act. I want to refer to one or two instances. I have in mind a man eighty-two years of age. I just saw in this week's local paper that this old couple had celebrated their fiftieth wedding anniversary. The old gentleman was away in the United States visiting his family and stayed there longer than he had intended owing to sickness. He was back eight years before the old age pension came into force. When he attained the age he applied for and was given an old age pension. Eight years or more later it was discovered that he had not complied with the regulations. Before the Old Age Pensions Act came into force he had been out of the country for a few days longer than the time limit, and he was cut off. Now he has been back long enough to comply, I believe this year, with all the requirements, but he has been told that he cannot get back on the old age pension unless he pays back to the board the amount he received previously. He has been on relief ever since he was cut off, so how in the world is he ever going to get on the old age pension again? That man has served for over forty years as a justice of the peace, and I should think he would be entitled to a pension on that account.

I have another couple in mind who sold their farm some ten or twelve years ago and thought they had a comfortable living for their old age. During the last six years they have not received one cent from that farm, which has not produced enough to pay the taxes. They cannot get on the old age pension list because they still have an equity in the farm. I think there should be some board to investigate cases of this nature in order that these people may get something different from the relief which may be handed out to them. As the hon. member for Comox-Alberni stated, they are getting a form of pension through the relief they receive, but there is a difference between the pension and relief as far as charity and that sort of thing goes.

I understood the Minister of Finance (Mr. Dunning) to say that parliament has control of currency and credit. I am very glad to hear that. I do not know when they took control, though at the last election that was one thing they said they were going to do. I have yet to meet the first person who has seen any change in policy, but I can assure the minister that hon. members in this corner will be only too willing to give the minister every possible support in exercising that control, as far as he can influence parliament. We shall do our part along that very line. What better place to start could there be than by issuing the credit of this country in the form of a pension to the old people? I would agree with the hon. member for Cochrane (Mr. Bradette) that it should be made universal in its application, and then perhaps those people we heard of this afternoon, who have gone to the island of Bermuda or some other place, would come back so that they might share in the pension.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, in the time which is left to-night manifestly it is impossible to go into this question of the new economics. It delights me greatly to see the earnestness with which our fellow members of parliament are coming at least to tolerate our remarks when we undertake to discuss this great question. I believe that as the days go by not only the members of this parliament but the people throughout Canada and the world will come to realize that there is a great deal in the new economics.

Speaking in a general sort of way, it seems to me it is absolutely idiotic to think we have an abundance and are unable to give of that abundance to the needy who have spent their lives helping to produce it. During the time at my disposal to-night I am just going to outline very briefly where the money comes from. In the first place one must ask himself, What is money? We have not time to go into that in great detail; but when we look into that question and begin to find out not only what money is but what we in Canada are using for money, where that thing

comes from, how it comes, what justifies it and what gives it value, then we shall begin to see where money can come from in great abundance.

Banks create money. Just as soon as anyone feels that he can safely challenge that statement, very well. If he cannot challenge it, it will be well for him to be careful. The next thing is that banks create credit. There are various definitions of credit, with which of course we are familiar; but in a very broad sense banks create what is called bank credit, and bank credit in this country to-day is money. Anyone who thinks he can successfully controvert that statement and bring proof of his statement will find us willing to listen to him. Any man who cannot controvert that statement had better hold his peace until he can, and not begin to laugh at the contentions of the new economics. And may I say, Mr. Speaker, that the number of well informed, careful men who are subscribing to the truth of these statements is increasing tremendously.

The next question is, What is it that justifies a bank or any other institution in creating credit? It is the goods and services which the community in which that organization functions is able to produce. Then, if Canada is able to produce enough goods and services to supply all her people with an abundant life, unquestionably that organization which is entrusted with the task of creating credit, which represents those goods, has the justification for creating that credit, and that statement cannot be successfully controverted.

Mr. THORSON: Will the hon. member explain how it is to be done?

Mr. BLACKMORE: Very well; I shall at a later time give the hon. member all the explanation necessary. I ask him to-night, though, to remember that I have only fifteen minutes in which to talk, but a question of that kind is exactly what I welcome. It indicates a penetrating mind and an earnest, sincere attitude, and that is all we want. Very well; let us go on with my line of reasoning. To make it clear to us, and in a way to make it concrete, let us suppose that all the money in the United States were suddenly whisked away so that there was nothing left of what they now call money. Let us suppose that at the same time all the money in Newfoundland should disappear, and that you should be given the task of creating a money system for the two countries at the same time. For which of those countries would you prepare the greater amount of money? Anyone who is over fourteen years of age will say, "Why, the United States, of course." Very well, then; why? "Well," you will say, "because the United States has greater productive and consumptive power." Very well. You have come again to the justification for money. It is productive and consumptive power. Productive power depends upon, first, natural resources; second, the people who are there, their training and disposition to work; third, their industrial equipment, such as manufacturing plants; and, fourth, distributive equipment, such as railways. There are several other factors. But it is perfectly clear that the more of those things which enable one to produce quickly and to deliver as when and where required goods and services, the more money, unquestionably, can be made up.

As soon as that principle is laid down and fully understood, we begin to see where the money ought to come from in Canada. We have many goods; no one can question that. We can have as much money as we have goods, or at least enough money to distribute those goods. The next question is: Will the money cause inflation? That is a brief outline of the whole situation confronting us, but I have insufficient time even to scratch the surface under any of these headings.

So far as I have time to-night I shall discuss these matters. Before commencing the discussion in detail, may I point out that in the United States in the last one hundred years the amount of money circulating in the hands of the people, per capita, has increased from $12.35 in 1834 to $515.33 in 1930. Those who wish to verify those figures will find them fully set out at page 66 of Woodward and Rose's book, Inflation, a most readable, instructive and interesting work.

That money is to be broken down in this way: In 1834, $5.24 of the money in circulation was in coins and bills, and $7.11 in bank deposits. It will be noticed that the amounts are almost equal. But, by 1930, while there was only $29.76 in coins and bills, there was $485.57 in bank deposits. Normally we think of bank deposits as funds in the form of coins and bills. Actually they are not coins and bills; in a large measure they are nothing but bank credit. In other words, in 1930, people were using many times more dollars in bank credit than they were in coins and bills.

That may mean much or little to hon. members, but as we proceed in our investigation of the matter I believe its significance will become more apparent. There is no doubt that it means much to hon. members in this section of the house. May I point out at this time some facts of history. When we go back into the history of our race and

study our financial background, we shall find some of the most astonishing facts of which we have ever learned. For example, we shall find that prior to the time of Queen Elizabeth the average educated person knew almost everything about money. The king made the money, and made it in accordance with the needs of the people. In a most astonishing way kings were able to keep price levels even and steady.

How was that done? It is a most interesting study. Until 1694 there was no national debt in Great Britain—not because they did not have wars. Why did the national debt in Great Britain commence at exactly the same time that the Bank of England commenced operations? Why has it grown, in most prodigious proportions ever since? That is a matter which would give anyone cause of serious reflection. Let us examine the first major transaction of the Bank of England. I believe that would be a help in learning the theory of the new economics. William III needed money. A number of well-to-do men, under the leadership of William Paterson, approached the king and in effect said, "We will raise £1,200,000 in gold, and will lend it to you at eight per cent interest, if you will give us the right to create £1,200,000 in paper notes. You may use the £1,200,000 of gold; you may pay us interest on it; you may owe it to us, you and your children and your children's children for a thousand years, and continue paying interest on it. That is just what we want. In turn, we will take the notes and lend them to our friends." When that transaction was consummated, the men who formed the Bank of England created out of nothing but paper £1,200,000 in money. That they realized fully what they had done is to be concluded from these words, which were written by Mr. Paterson:

> If the proprietors of the bank can circulate their own fundation of £1,200,000 without having more than two or three hundred thousand pounds lying dead at one time with another, this bank will be in effect as £900,000 or a million of fresh money brought into the nation.

Hon. members will find that statement in the History of the Bank of England by Doctor Andreades.

Mr. Speaker, I would ask that you call it eleven o'clock.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. Blackmore.]

Tuesday, March 1, 1938

The house met at three o'clock.

STANDING COMMITTEES

BANKING AND COMMERCE—CONCURRENCE IN SECOND REPORT

Mr. W. H. MOORE (Ontario) presented the second report of the standing committee on banking and commerce, and moved that the report be concurred in.

Motion agreed to.

MARINE AND FISHERIES, RAILWAYS, CANALS AND TELEGRAPH LINES, MISCELLANEOUS PRIVATE BILLS—CHANGES IN PERSONNEL

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

That the name of Mr. White be substituted for that of Mr. MacNicol on the standing committee on marine and fisheries.

That the name of Mr. MacNicol be substituted for that of Mr. White on the standing committee on railways, canals and telegraph lines.

That the name of Mr. Kuhl be substituted for that of Mr. Johnston (Bow River) on the standing committee on miscellaneous private bills.

Motions agreed to.

ST. LAWRENCE WATERWAY

TABLING OF CORRESPONDENCE—ST. LAWRENCE DEEP WATERWAY TREATY 1932, NIAGARA CONVENTION 1929, OGOKI RIVER AND KENOGAMI RIVER (LONG LAKE) PROJECTS, AND EXPORT OF ELECTRICAL POWER

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table copies in French of correspondence and documents relating to the St. Lawrence deep waterway treaty, 1932; Niagara convention, 1929; Ogoki river and Kenogami river (Long lake) projects, and export of electrical power; also a copy of a communication dated February 25, 1938, from the Premier of Ontario to the Prime Minister of Canada, with reference to the Kenogami river project.

A reply to the communication I have just tabled was sent to the Premier of Ontario to-day, but I do not think it should be tabled until after it has been received by him.

SOLDIER SETTLEMENT

INTEREST RATE ON REPAYMENTS OF TAXES AND INSURANCE PREMIUMS—ARREARS OR INSTALMENTS SUBJECT TO BONUS PRIVILEGES

Hon. T. A. CRERAR (Minister of Mines and Resources) moved that the house go into

committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Soldier Settlement Act for the purpose of reducing from seven per centum to five per centum the interest rate charged on certain repayments to the board of taxes and insurance premiums paid by the board in respect to soldier settlement lands in case of default on the part of the settler, and to provide further that the period during which payments of arrears or instalments at present subject to bonus privileges may be made, be further extended to the 31st day of March, 1941.

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.

WAR VETERANS' ALLOWANCES

EXTENSION OF ALLOWANCES TO INCLUDE CERTAIN OTHER CLASSES—ENLARGEMENT OF MEMBERSHIP OF BOARD

Hon. C. G. POWER (Minister of Pensions and National Health) 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 to amend the War Veterans' Allowance Act so as to extend the allowance payable thereunder to a class of veterans of the great war not presently the recipients of such allowances who, because of tangible or intangible disabilities and handicaps, are incapable of maintaining themselves; to include certain veterans of the South African war; to include among the classes of moneys non-deductible from allowance, pensions or grants accompanying certain military decorations; to provide for the avoidance of overlapping of benefits payable under the War Veterans' Allowance Act and those payable under the Old Age Pension Act, and to enlarge the membership of the war veterans' allowances board.

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.

FOREIGN POLICY

ATTITUDE OF CANADIAN GOVERNMENT AS TO BRITISH POLICY AFFECTING LEAGUE OF NATIONS AND RELATIONS WITH ITALY

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): In view of recent statements by the Prime Minister of Great Britain regarding the League of Nations, collective security and Italy, has the government of Canada been kept fully informed of the British foreign policy indicated by such statements, and if so, what opinion, if any, has the government expressed on behalf of the Canadian people in relation to any or all of these matters?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend had advised me of his intention to ask this question.

The Canadian government has been furnished with full summaries of recent statements made in the British House of Commons by the Prime Minister of the United Kingdom and the former Secretary of State for Foreign Affairs. In addition, it has received a brief report of a conversation with a representative of a foreign government. These communications, as is usually the case, are in the nature of information rather than consultation. The Canadian government has not offered any opinion on the statements in question.

EMPLOYMENT COMMISSION

INQUIRY AS TO TABLING OF FINAL REPORT

On the orders of the day:

Hon. H. A. STEWART (Leeds): I wish to ask the government and particularly the Minister of Labour (Mr. Rogers) whether the final report of the national employment commission has been laid on the table. If not, when may we expect it to be brought down?

Hon. NORMAN McL. ROGERS (Minister of Labour): I believe it has already been stated that it is the intention of the government to lay this report on the table as soon as it is printed and available in both languages. I expect that will be in the course of a very short time.

OPIUM AND NARCOTIC DRUG ACT

The house resumed from Thursday, February 24, consideration in committee of Bill No. 24, to amend the Opium and Narcotic Drug Act, 1929—Mr. Power.—Mr. Johnston (Lake Centre) in the chair.

Hon. C. G. POWER (Minister of Pensions and National Health): When the bill was last before the committee all clauses were passed, but the leader of the opposition made a suggestion which I have submitted to the officers of the department, and to which I think it is most reasonable that we should agree, namely, that the act should come into force on proclamation. I therefore move, seconded by Mr. Howe:

That this act shall come into force upon a date to be fixed by proclamation of the governor in council.

That will be section 11.

Mr. McKENZIE (Lambton-Kent): I was not in the house when the minister introduced this bill. I have no desire to reopen the discussion, because the less publicity given this question, the better. I may be entirely out of order, but since it has been brought in I have received communications from certain persons in Lambton county who for over twenty-four years have been growing what is called Indian hemp for commercial purposes. They entered into this project encouraged by the Department of Agriculture and sponsored by them, and have made quite a profitable enterprise out of it during the past several years.

As I read the amendment it is possible to obtain a licence to grow this hemp under certain conditions. That may be all right, but if the restrictions are so great as to make it impracticable to grow this hemp, then I suggest that no licences should be granted at all. If you will look at the Canadian Almanac at page 102, in connection with the tariff, you will notice that hemp seed is listed for free importation. That would lead me to believe that it is possible to import seed and to grow it commercially. I fully realize that if this bill is passed it will be more difficult to control the growing of what is known as marihuana in small plots in back yards, or in flower pots, than it will be to control it in a commercial way.

One grower I have in mind is probably the only man in Canada who has converted hemp into a spinnable fibre for export, and he has built up a profitable sideline. In all fairness, if the restrictions are to be made too severe in the granting of licences, then the privilege should be abolished and this grower should be compensated for the money he has spent on machinery, and for the profitable industry he has built up. I bring this to the attention of the minister because in the twenty-four years that this man has grown this hemp there has been no complaint from the narcotics branch nor from any other source whatever, if there are to be too rigid restrictions he or any other grower should be compensated to the extent I suggest.

Section agreed to.

Bill as amended reported.

TRANSPORT COMMISSION

AUTHORITY TO CONTROL TRANSPORT OF PASSENGERS AND GOODS BY RAILWAYS, SHIPS AND AIRCRAFT

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure conferring authority upon a transport commission (the board of railway commissioners to be known as such) to license, regulate and control the transport of passengers and goods by railways, ships and aircraft, and to fix licence fees and transportation tolls and charges and regulate and control other matters incidental thereto.

Motion agreed to, and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. HOWE: The purpose of the bill to be founded upon this resolution is to extend the jurisdiction of the board of railway commissioners, which in future, if this bill carries, will be known as the Board of Transport Commissioners, to inland shipping and transportation by air. A bill similar to this was introduced last session in another chamber, and a long series of hearings was held there. In drafting the present bill we have profited by the discussion in the other chamber and eliminated such of the more contentious features as are not essential to the purpose of the measure. We believe that this legislation will serve a constructive purpose, and that it will not be particularly contentious in its present form. The bill will have the effect of not only extending regulation to shipping and aviation, but will also have the effect of alleviating somewhat the possible over-regulation of the railways; for it extends to them the power to contract under certain circumstances, with full publicity and full protection against discrimination, giving them to a limited extent the power to contract which shipping and aviation now have.

Mr. BENNETT: I do not think the minister's explanation is an ample explanation of the general principle of the resolution. But possibly we can wait until the bill is brought down to secure the necessary information.

Mr. CHURCH: This is the second time within a week that the transportation question has been before this house. The other day a committee was appointed on the Canadian National Railways estimates. What that committee will do I do not know, because no questions can be asked in the house.

This second transportation bill was before another body last year and I notice that the minister is dropping one of the main features of regulation, that with respect to motor buses and trucks operating on the highways, which are to-day robbing the railways of their business and are in considerable measure responsible for the railway deficit. These deficits are accumulating. The railway commission is not a transport commission at all. In England they have a transport department headed by a transport minister, who has

jurisdiction over many matters which were included in the bill introduced here during the session. This is a different resolution. The government should be prepared to tell the house before the second reading of this bill what it is going to do about one of Canada's chief problems, the railway problem. We have no money for ordinary expenditures owing to the deficit on one railway system. What is the government going to do about it? Is it going to have a new transport commission similar to the railway commission which does not now regulate anything?

The minister proposes now to widen the powers of the board of railway commissioners along the lines indicated. We have had three or four royal commissions investigating our railways, including the Duff commission and the Drayton-Acworth commission, and their recommendations were ignored. Now it is proposed to give these new powers to the transport commission. I doubt that that regulatory body will be able to regulate anything. Are you going to include in its jurisdiction all forms of transportation? We had a debate in the house the other day about what they are doing in England along this very line, not only in respect to railways but in respect to motor trucks and buses, reducing the railway deficits and putting the British railways in a condition of efficiency which is a credit to the mother country. Is the minister prepared to put all the cards on the table, or is he going to hearken to another body which discussed this bill last year and take out of it what should be in it, namely the power to regulate these means of transport which are taking the cream of the business from the railways? In England a hundred years ago the railways ruined the canals; now the motor trucks are ruining the railways. If this body is not prepared to deal with the problem in Canada some other body will take our place in 1940. I am not prepared to say what should be done, but this resolution does not go far enough, and I am sorry to see the minister dropping some of the clauses which should be in the bill if we are to have anything other than merely remote control. We know what the railway commission is; we know what the Duff and Drayton reports showed about the way it regulates.

Last week we sent the railways and shipping accounts and estimates to one committee, and now we are to have another body. Look at what the Duff report says about passes. Talk about deadheads on the railways!—I do not wonder at their having deficits. If by this measure we are going to give up control to outside bodies as we have been doing, then responsible government is at an end in this country. We meet here week after week and month after month, yet one of the most important problems facing the government is not dealt with; in fact a private member is almost afraid to mention it. But I intend to keep the matter before the house and before the government because something must be done. We had a similar situation in Toronto and the county of York and adjoining counties, where the Mackenzie and Mann interests had an intolerable grip on the people. They had light, power and transportation franchises all over the three counties, beyond any public control. But the city grappled with that situation and cleaned it up. If they could do that, surely this federal government can do something about what I suggest. I hope we shall have some definite proposals and explanations before the second reading.

Mr. THORSON: Will the minister indicate briefly in what respect the proposed bill differs from the one which was introduced in the senate last year?

Mr. HOWE: The bill differs from that of last year in that any attempt to include control of traffic on the highways has been deleted. The difficulty in that connection of course is that the government has jurisdiction only at certain points. Our legal officers advise me that we have jurisdiction over trucks passing from one province to another, or crossing the international boundary, or in certain of the dominion government parks. It was felt on reconsidering the matter that such jurisdiction as we have is too limited to be particularly effective, under the conditions which prevail in Canada, and in view of the strenuous opposition of the provinces we have decided to delete that feature from the bill this year.

Moreover, an investigation bearing upon these matters is now being carried on in Ontario by the Chevrier commission, from which we hope and believe constructive legislation will emerge.

Another change is that we have excluded from the restrictions relating to shipping the carriage of materials in bulk, such as wheat, coal, iron ore, sand and gravel, to the regulation of which there was a good deal of objection. My own opinion is that the objection was not well founded and that it would be in the interest of those objecting to have regulation extended to those commodities. However the opinion before the last committee was almost unanimous against my view, so that for the present we have dropped regula-

tion for those commodities from the bill. There are other minor changes which will become apparent when the bill is distributed. I think these are the major changes.

Mr. NEILL: I notice that the resolution proposes that the board shall have power to regulate the transportation of passengers and goods by ships. Can the minister tell us whether that will apply only to ships on the great lakes, or will it apply also to ships in the coastal trade on the Atlantic and the Pacific?

Mr. HOWE: It is not proposed to apply that type of regulation to coastwise shipping wholly within British Columbia, to coastwise shipping along the coast of Nova Scotia and New Brunswick, or up the St. Lawrence as far as Father Point. It does apply, however, to boats coasting from those points into the great lakes and to boats coasting from a port in British Columbia to a port in another province of Canada.

Mr. NEILL: Why is the coastal traffic not to be regulated? Does the minister not think there is need for it?

Mr. HOWE: Coastwise traffic on either coast is not competitive with other forms of transport. It is more or less a condition by itself. It is my intention at the proper time to send this bill to a committee, where matters of the kind can be discussed. If it is considered in committee that any good purpose would be served by regulating shipping along either coast, a clause of that kind could be inserted.

Mr. KINLEY: This provision with regard to coastwise shipping was in the bill when it was introduced last year, I believe, but there was so much opposition to it to the senate committee that it was struck out. Is that not so?

Mr. HOWE: My recollection is that the bill never included shipping of the type that has been suggested. I may be wrong about that; perhaps it did.

Mr. KINLEY: Yes, it did.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 31, to establish a Board of Transport Commissioners for Canada, with authority in respect of transport by railways, ships and aircraft.

Motion agreed to and bill read the first time.

[Mr. Howe.]

TRANS-CANADA AIR LINES

AUTHORITY FOR EXTENSION BEYOND THE CONFINES OF CANADA

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 29, to amend The Trans-Canada Air Lines Act, 1937.

He said: Mr. Speaker, hon. members will note that this is a very short bill. As I stated in speaking to the resolution it has two purposes in view, both of which I think were contemplated when the original legislation was passed but were more or less inadvertently omitted.

The first section amends paragraph 14A of the bill to permit Trans-Canada Air Lines to purchase a share of the company which will operate the transatlantic air transport service, such purchase being an obligation of the government of Canada. The memorandum entered into provides that 24½ per cent of the stock of the operating company shall be owned by such company as the government of Canada may designate for that purpose, and it is the intention of the government to designate Trans-Canada Air Lines as the Canadian shareholder of the transatlantic company.

The second purpose of the bill is to permit the extension of the trans-Canada contract to lines outside Canada. As originally drawn the bill permitted the company to operate outside Canada, but such guarantees as might be given by the Post Office Department to the company were limited to points within Canada. The route of the airway crosses a portion of the state of Maine, and it is also probable that the airway will operate two or possibly three international connections. At the present moment it is operating an international connection between Vancouver and Seattle. The purpose of the second paragraph is to enable the guarantees under the trans-Canada contract to extend to these operations.

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

On section 1—Transatlantic business.

Mr. GREEN: What is the present position with regard to the issued capital stock of Trans-Canada Air Lines?

Mr. HOWE: The capital stock of Trans-Canada Air Lines at present is wholly owned by the Canadian National Railways. We have been approached by other aviation companies to discuss the disposal of a portion of it, but these offers have never been com-

plete cash offers, and as cash is required for the purposes of the company we have declined to barter for any other commodity.

Mr. GREEN: The present position, then, is that the Canadian National Railways own all the issued stock of Trans-Canada Air Lines, so that really it is a one hundred per cent government enterprise. Under these circumstances would it not be possible for Trans-Canada Air Lines to set up a school or schools for the training of pilots and the ground staffs that are required for Canadian flying. The training of men for the air is being handled in a more or less haphazard fashion at the present time, and if Trans-Canada Air Lines is to be a government enterprise it might be a very good place for the government to give a lead. The future of Canada will depend to a large extent upon the progress we make in our air development, and there seems to be a need for improved training facilities.

Has the minister given consideration to having Trans-Canada Air Lines set up a proper school or schools for the training of men to operate our airways in the future.

Mr. HOWE: I think we have as fine a school for that purpose, located in Winnipeg and operated by Trans-Canada Air Lines, as can be found anywhere on this continent. The present staff, numbering some ninety-nine, have all been trained there; the pilots, the ground crews and the radio operators have all received training at that school. When we started the enterprise we had the option of making arrangements with one or two United States schools, which do similar work, under which we could send our men over there. We decided to bring the necessary talent here, and to carry out the training in Canada, and for some months this work has been proceeding in Winnipeg.

Mr. GREEN: These men are being trained only for trans-Canada airways, are they not?

Mr. HOWE: Yes.

Mr. GREEN: My thought was that we might train them for the other air lines as well. Many feeder lines will be operated by private companies, and I think we could raise the standard of flying and ground work right across Canada if the trans-Canada airways undertook to operate a training school for all young men wishing to fly or to learn ground work regardless of whether or not they were to be absorbed by Trans-Canada Air Lines.

Mr. HOWE: The preliminary training is given by the aviation schools, of which there are some twenty-four in Canada. These schools are competent to give a transport licence. The trans-Canada airways will not accept a man who has not had a minimum of a thousand hours flying. There is a gap between the two types of training which must be filled in in some way. Whether it should be the duty of Trans-Canada Air Lines to discharge that duty, or whether the work of the flying clubs could be concentrated in one or two advanced schools, in order to bridge the gap, is now being studied by our department. I think perhaps the latter method is the better one. However, the department is aware of the fact that there is a gap which must be filled in the education of the commercial pilot, and I think that within the next year some progress will be made towards filling that gap.

Mr. GREEN: I suppose all these men who are trained could also be used for defence purposes, if required? Is the training of a type which would be of value in a defence force?

Mr. HOWE: Undoubtedly advanced training for inter-urban flying is different from the training for ordinary transport flying, or freighting. But up to a point the training is parallel. I suppose only those interested in inter-urban flying would go in for the advanced course having to do with instrument flying.

Mr. GREEN: But the minister will give serious consideration to developing schools in connection with the Trans-Canada Air Lines?

Mr. HOWE: We have been and are still giving consideration to it.

Mr. LOCKHART: The minister has said that there is a blank between the present education of these men and possible future requirements. I know that education facilities come entirely within the jurisdiction of the provinces, but in our technical schools there has been some thought of laying the groundwork in connection with flying. The opinion has been given that in five years there will be a dearth of trained men who are air-minded. Have there been any negotiations between provincial departments and the federal government with respect to the necessity of laying the ground-work in technical schools of the provinces, or has any thought been given to the matter.

Mr. HOWE: We have had inquiries from a number of technical schools as to the type of training required by a person who wishes to enter into aviation. In each case we have given as much information as we could. The department has furnished engine parts to permit instruction being given in the mechanics

of the aeroplane. I believe however that training in flying is better handled by the federal government, which has jurisdiction over all matters affecting the air. It has the fields and facilities to carry out that training, and while we look to the technical schools to give the ground-work of education, the actual training in flying should be done under the direction of the federal government.

Mr. LOCKHART: I appreciate what the minister has said; nevertheless in some municipalities there are outstanding technical schools some of which are in difficult circumstances; the taxpayers are finding it hard to meet the demands made upon them. The minister will agree that those who engage in this work must be recruited from the young men who are now attending schools. The provincial departments have decreased the grants made to technical schools thereby making technical education a greater burden. I have been advised that the federal department has offered to assist by way of equipment. The point is, however, that the cost per pupil in this type of education is higher, and unless the provincial governments can be persuaded to assist in a greater degree in this type of technical education, I do not see how aviation can be promoted by the technical schools. If young men are to be had for the higher education to be given by the federal government, they must be encouraged in the technical schools, so that they may be drawn therefrom.

Mr. BENNETT: What is the paid-up capital?

Mr. HOWE: The present paid-up capital is, I believe, a million and a quarter.

Mr. MASSEY: Is it the plan to use Canadian pilots on the transatlantic hop, or will that be left entirely to Imperial Airways?

Mr. HOWE: Under the agreement, Imperial Airways are to do the pioneering work in establishing the route. They are doing it now with Imperial Airways machines and pilots. Later on a company will be formed to take over the work, of which Imperial Airways will control fifty-one per cent. I feel sure that when the time comes they will be prepared to give Canadian pilots an opportunity. Imperial Airways now employ a number of Canadian pilots. While in Bermuda a year ago I learned that two of the pilots sent to that point to operate the Bermuda-New York run were Canadian pilots. I feel sure that Canada will be represented.

Mr. MASSEY: Are we training our pilots for Trans-Canada Air Lines only in land ships or for the piloting of boats as well?

[Mr. Howe.]

Mr. HOWE: The present training is entirely with land ships.

Mr. MASSEY: At what stage of the development of a pilot is he eligible to enter the school at Winnipeg? What previous training must he have had or how many hours in the air?

Mr. HOWE: He must have a university education, at least a thousand hours of actual transport flying to his credit and a record in transport flying that is more or less outstanding.

Mr. MASSEY: In other words the course being given in Winnipeg is essentially a post graduate course.

Mr. HOWE: Yes.

Mr. MASSEY: Is it in the mind of the minister that, as suggested by the hon. member for Lincoln, we should attempt to develop a type of pilot who would be able to engage not only in the type of flying we have in Canada to-day, but also in transport flying such as is planned for the Trans-Canada Air Lines, so that we may give the incentive to young men to secure the necessary technical training and ground-work, and also provide facilities for them to learn to fly from the very beginning? I think it is recognized that the flying clubs throughout the dominion have been doing a very good work. It will be noticed in the estimates that some of them have been receiving small grants from the government, but many of them have been carrying on under conditions which are far from favourable, and in some cases the clubs have been forced to discontinue their activities. The work of these flying clubs has been to develop men as pilots, ultimately to become air lines pilots. I believe more substantial aid should be given to these flying clubs by the government. Perhaps an instructor could be loaned for certain periods to give the flying club members instruction, not only in flying ships from airport to airport without the aid of a beam, but in all the various phases of flying which are so important.

Mr. HOWE: I must take issue with the statement of my hon. friend that a good many of these clubs have ceased to operate.

Mr. MASSEY: I said some, not a good many.

Mr. HOWE: The total number of clubs in operation to-day is twenty-six. Two clubs died in the initial stages, having been established in communities which were too small to supply the necessary talent. I believe the clubs are now on a firm financial basis. It was never the intention that these clubs

should be money-makers although some of them in the larger centres are doing quite well financially. The government gives some aid, perhaps sufficient for the work that they are doing. These clubs and my department are discussing the extension of work along the lines I indicated previously, that is, giving a more advanced training. If something feasible or practicable can be worked out it is possible that the clubs may qualify for more aid from the government.

Mr. MAYBANK: Reference has been made to the personnel of these air lines, and I should like to have some assurance from the minister as to the nationality of those to be employed. Perhaps because of the necessity of the work, certain men have been brought in from the United States. There has been some criticism of this, perhaps unjustly. We have a very good flying school in Winnipeg, and the question has been raised whether steps will be taken to have a Canadian personnel. I am sure the minister will agree that we should give employment to our own people to the exclusion of all others. Has a definite policy been laid down for the employment of Canadians?

Mr. HOWE: The present personnel is approximately ninety-one trained men. There are two Americans employed in Seattle in connection with the American end of the operations between Vancouver and Seattle. I believe these are only booking clerks. Of the remaining personnel in Canada, all are Canadians with the exception of five. One of the five is the vice-president in charge of operations. He was brought here because we were advised that he was the man most capable of establishing this enterprise on a firm foundation. He has had perhaps a finer and longer record in air transportation than any other man on this continent. He was brought here on the understanding that he would devote two years to the work. When it was decided to train our pilots in Canada, four other men were brought in from the United States to give technical assistance. Each one of the four is outstanding in the particular line for which he is responsible. The four are here on a six month's basis, and will be kept as long as their services are needed as training personnel. Their duties are temporary and will be terminated when we think we can get on without them.

Mr. MAYBANK: Are the two men employed in Seattle because the service is an international one? When our railroads run through United States territory a certain number of employees must be citizens of that country. Is this employment due to the United States immigration laws?

Mr. HOWE: The men employed in Seattle are not pilots. They are only minor employees, clerks who sell tickets, and they receive around $100 a month.

Mr. FACTOR: The minister will recall that he had a conference with the board of control of the city of Toronto at which representations were made for the establishment of a training school in that city. There are in the vicinity of Toronto two of the finest airports on the continent, and I should like to know whether the minister has taken into consideration this matter of a flying school.

Mr. HOWE: At the moment we are giving only the most advanced training courses in order to supply men for the trans-Canada operations. The school for this purpose was established in Winnipeg because of flying conditions and the fact that a radio beam and telephonic communications were there. Whether a second school of the kind will be required I doubt very much. However, we are studying the possible bridging of the gap in the education of transport pilots, and in that connection we shall be very glad to consider the suitability of Toronto.

Mr. LOCKHART: The minister has stated that university education is a necessary qualification for a transport pilot. While I have every respect for university graduates, I think it is about time that men who may not have had a university education should be given an opportunity to become pilots in Trans-Canada Air Lines. It will be noticed in many advertisements for civil service positions that a necessary qualification is university education. But many men with great mechanical ability are training at the different airports, and it is possible they would make much better fliers and be more interested in the work than university graduates. Might not the qualifications be reduced to enable men with perhaps senior matriculation or technical school diplomas to engage in this work?

Mr. HOWE: There is hardly a pilot or co-pilot flying a transport plane to-day on the North American continent who is not a university graduate. The training is most exacting. For instance, a pilot must take a very advanced course in meteorology and must have an accurate knowledge of higher physics. He must be well-versed in thermodynamics and in the construction of internal combustion engines. I do not know that anything would prevent a man who had gradu-

ated from a technical school and attained high proficiency in transport work from obtaining a place in a service of this kind. But two or three have been tried who had not the background necessary to enable them to master the work that was required of them, and they had to be rejected. It is simply that the technical school man has not the background to absorb the training. It is a condition about which we cannot do very much; the training is required and the man should have it.

Mr. LOCKHART: I hope the minister will appreciate that I am not criticizing him, but I am informed that graduates of technical schools in Great Britain are permitted to go on to a school similar to the one in Winnipeg which he has outlined; that similar schools are provided in Britain, and that men without university training have gone into them and have become among the most successful pilots in Imperial Airways. Is that information correct, or are openings in the Imperial Airways service confined entirely to university graduates?

Mr. HOWE: I have not that information, but I doubt very much whether a man with less than university training is accepted for training as an Imperial Airways pilot.

Mr. BENNETT: They were in the early days of the war.

Mr. HOWE: That is probably true, but such is not the case to-day.

Mr. GREEN: How much will Canada have to invest in this transatlantic service, and what percentages have been put up by Canada, Ireland and the United Kingdom?

Mr. HOWE: The percentage is 51 for the United Kingdom, 24½ for Ireland, and 24½ for Canada, and our contribution is limited to one and a quarter million dollars.

Mr. GREEN: When will that have to be paid?

Mr. HOWE: We are sending a delegate to Ireland next month to discuss the formation of the company. I would estimate that it may be required about a year from now. We are committed to form the company only when a successful service has been established. The agreement provides that in the meantime Imperial Airways will do the pioneering.

Mr. GREEN: Does Canada get any credit for the facilities we are providing, the landing fields and so forth, on this side? I understand we are also providing facilities in Newfoundland. Is that correct?

[Mr. Howe.]

Mr. HOWE: We are obligated to provide the beam facilities, the radio facilities and the meteorological services in Canada, and the meteorological service in Newfoundland. The British government has built an airway in Newfoundland and has also provided the radio facilities there. Ireland has done certain work, in Ireland, which takes care of the first leg of the journey. The obligations to furnish facilities are divided between the three countries more or less in proportion to their share of the operations.

Mr. GREEN: That is in addition to the capital investment?

Mr. HOWE: Yes.

Mr. GREEN: Is not this the appropriate time to take power in the act to enter into a contract for a transpacific service? After all, these air developments come very quickly; in a matter of a year or two we shall be working on a transpacific service, so that we might as well amend the act at the present time to cover that contingency.

Mr. HOWE: I feel that in the matter of transpacific service, parliament would ask me for more information than I am able to give at the moment. It takes so little time to amend the act that I think we had better leave this discussion until we have more information as to the amount of money that will be required.

Mr. MASSEY: What is to be the base or the terminus of the transatlantic service? Will it be in Newfoundland, or in Canada? In other words, will the trans-Canada lines extend to Newfoundland, or will Imperial Airways extend to Canada?

Mr. HOWE: It is all one operation. It is, I believe, specified in the act that services will start from Southampton, England; that a landing place will be at Foynes, Ireland; that another intermediate point will be Botwood, in Newfoundland, and that the Canadian terminus will be Montreal, with an alternative landing place at Shediac should weather conditions make it desirable to utilize it.

Mr. MASSEY: Will boats be flown from Newfoundland through to Montreal? Will Canadian ships pick up any transatlantic passengers in the maritimes; or will they be flown right through to Newfoundland?

Mr. HOWE: If Shediac happens to be used on any trip as a terminus, of course we shall pick passengers up there. But the intention of the act is that Montreal shall be the terminus for the transatlantic service. It is all one operation. It is not Canadian from here to

Newfoundland and Irish from Newfoundland to Ireland; it is one company, but there will be three or probably four countries concerned. I understand that England is taking care of Newfoundland's share and that probably Newfoundland will also have an investment, but the four countries will all be shareholders in an operating company which will carry out the whole of the operations.

Mr. LENNARD: When the minister speaks of "Ireland" I assume he refers to Northern Ireland?

Mr. HOWE: No.

Mr. LENNARD: Well, the other part has changed its name.

Mr. HOWE: Eire.

Mr. MacLEAN (Prince): Perhaps the minister can give us some information about the situation in the maritimes. We understood that Shediac was to be one of the terminals on this side. Has the minister any information that the company wants to come straight through from Newfoundland to Montreal, or does it not prefer to having a landing at Shediac or Moncton?

Mr. HOWE: In the test flights of last year Imperial Airways terminated all air flights at Montreal, but, I think, stopped on two occasions at Shediac. Pan-American Airways made Shediac their American base on each flight, although their contract provides, as does the Imperial contract, that Montreal shall be an alternative base for them as well as Shediac. Nothing is yet determined, I believe, as to which will be finally adopted.

Mr. DUPUIS: Have many students enlisted in the Winnipeg school for aviation and radio engineering, and if so, how many are from the province of Quebec?

Mr. HOWE: I have not that information. I know that various branches of the school have supplied about ninety men, but I have no knowledge where they came from or who they are. I have not had a hand in any way in the selection of personnel for trans-Canada airways.

Mr. DUPUIS: Are there now qualified radio engineers, and men qualified in meteorological operation, in the province of Quebec? If so, how many are employed at St. Hubert in radio and meteorological operations, and are they all from Quebec?

Mr. HOWE: I am sure that I cannot inform the hon. member. I have not taken the slightest part in the recruiting of the technical staff of Trans-Canada airways or of the St. Hubert airport. I placed a man in charge of that service who I believe is competent to sort out the material, and I have left it completely to him as to where these pilots are obtained.

Mr. DUPUIS: I wish the committee to know that the youth of our province is anxious to find a place in the activities of this country. I am not raising this as a parochial question; I am simply interested in helping the youth of the province of Quebec, because I am sure that if they were given an opportunity to study these things the minister would find as large a number of qualified young men in that province as in any other. I am trying only to encourage the youth of that province because I am afraid that at present the minister is under the impression that there are not a sufficient number of qualified persons in the province of Quebec to fill these positions. I should be glad if we could help them to fill these positions in connection with the airport in that province.

Mr. GREEN: Will the north Atlantic route be flown the year round, or will there be a different route in the winter?

Mr. HOWE: As far as we know, it is the intention to fly the north Atlantic route twelve months in the year. The service there is in the experimental stage, but that is the intention.

Mr. BENNETT: Is the agreement referred to executed?

Mr. HOWE: The agreement among the four countries? No. A conference was held in Canada two years ago and an agreement was arrived at and initialled, but it has never been carried beyond that stage. Each government approved the agreement as initialled, but no formal agreement was ever signed.

Mr. BENNETT: I ask only for the reason that it might be laid on the table if it were in shape to be seen, since reference has been made to it. If it is a confidential document it need not be.

Mr. HOWE: I have here a document which is not confidential, so far as I am aware. I will lay it on the table.

Mr. DUNNING: It is not signed.

Mr. STIRLING: Do I understand the minister to say that in the ordinary course of events there will be a non-stop flight from Southampton to Montreal?

Mr. HOWE: Not a non-stop flight. The flights are Southampton to Foynes, Ireland, thence to Botwood, Newfoundland, and from Botwood to Montreal.

Mr. STIRLING: The longest non-stop flight will be from Ireland to Botwood?

Mr. HOWE: Yes.

Mr. STIRLING: And that will be how many miles?

Mr. HOWE: Fifteen hundred.

Mr. STIRLING: Is it at Botwood that the oncoming plane will first begin to pick up the beam?

Mr. HOWE: The beam at Newfoundland has two legs, one leg extending toward Ireland and the other towards Canada. The beam is not continuous from Foynes to Newfoundland. These beams spread as they go, however, and I think that the beam in fairly good weather will extend six hundred miles in each direction, leaving a fairly short gap. Experience to date is that radio reception is perfect all the way across. The aeroplane is in telephonic communication with one shore or the other continuously, and it is only for a short distance out of control of the beam itself. We have assisted recently by establishing cross-bearings along the coast, which allow them to locate the distance travelled. In the early days the distance travelled was obtained from ships as they passed, but we have set up stations to give cross-bearings and we believe that from the standpoint of electrical communication the route is first-class.

Section agreed to.

On section 2—Minister may contract with corporation.

Mr. BENNETT: Would it not be better to add after the word "passengers" the word "mails," so as to make it read "transport of passengers, mails and goods"? Goods might not necessarily mean mails. Last year, if my memory serves me, it was suggested that the word "goods" was broad enough to cover it, but mails are not really goods in the ordinary use of the term. It would not hurt to add "mails" to make it clear beyond peradventure.

Mr. DUNNING: I move that the word "mails" be added after the word "passengers" in the twenty-eighth line.

Amendment agreed to.

Mr. BENNETT: There must be a partial operation in Canada in order that this section may operate; that is, there must be a partial operation in Canada before there can be operation in the foreign country. That seems to me to be an adequate safeguard.

[Mr. Howe.]

Mr. GREEN: How many routes outside Canada are in contemplation?

Mr. HOWE: At the moment we have one between Seattle and Vancouver and there may be possibly two more. We have had some discussions about two other routes, but I would not say that that would be the limit. They are divided by international agreement, and there may be three or four more when we have the matter straightened out.

Mr. GREEN: Which routes are being considered now?

Mr. HOWE: While these discussions are taking place between Canada and the United States I think it would be well not to mention exact routes.

Mr. GREEN: Are we buying in Canada the planes for Trans-Canada airways? If not, where are we getting them?

Mr. HOWE: We looked into that question extensively and found that for the number of planes we had to buy, no Canadian manufacturer was interested in getting the agency for one of the recognized types of transport planes. We went into the situation in Britain and found there again that all manufacturers were booked up with civil aviation work, so that we could get no tenders there. Our planes are bought from the Lockheed corporation in California.

Mr. MASSEY: Has the minister any information in regard to the connecting link or feeder line between Toronto and Buffalo or some other United States airport so that the Trans-Canada Air Lines will connect with the United States air lines?

Mr. HOWE: There are several matters under discussion by correspondence with the United States to-day, and it might embarrass not only Canada, but the United States as well, to say whether any particular routes are under discussion.

Mr. MASSEY: I do not wish to embarrass the minister, but I am most anxious to know, because that is a question one hears asked very frequently in Ontario and also the western part of Quebec.

I know that the hon. member for Wentworth (Mr. Lennard) had it in mind to ask a question—unfortunately he had to leave the chamber for a few minutes—as to the possibility of having the Buffalo-Detroit planes sit down at Hamilton if that airport should be enlarged. The minister says he does not wish to discuss these plans, but may I ask whether any such arrangement has been contemplated?

Mr. HOWE: Nothing of the kind has been contemplated. The United States air lines have made no proposal to us that I know of to sit down at Hamilton.

Mr. ROSS (St. Paul's): How will the ticket sales of Trans-Canada Air Lines be handled?

Mr. HOWE: It is expected that all the facilities of the Canadian National Railways, and possibly of other railways in Canada, will be available for that purpose. But at the moment we are more concerned with the mechanical aspect. The handling of traffic is something for the future; no decision has been arrived at as to details of ticket selling.

Mr. ROSS (St. Paul's): Will there be cooperation on the part of the government with the Canadian Pacific Railway Company in connection with this air service?

Mr. HOWE: As I say, no detailed plan has been worked out for the sale of tickets. We know we have all the resources of the Canadian National Railways available, and I presume discussion will take place with the Canadian Pacific Railway Company so as to get as wide distribution as possible.

Mr. ROSS (St. Paul's): Unless there is cooperation with the Canadian Pacific Railway Company they will not sell the tickets. Is it the government's intention to cooperate with the other railways of the country?

Mr. HOWE: Under the Canadian National-Canadian Pacific Act the two railways agree to cooperate and to continue to cooperate, so I presume that when the Canadian National does anything it will be bound by law to cooperate with the Canadian Pacific.

Section as amended agreed to.

Bill reported, read the third time and passed.

INSPECTION AND SALE

PROPOSED REGULATIONS RESPECTING BINDER TWINE, SALT AND OTHER COMMODITIES

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 30, to regulate the inspection and sale of binder twine and salt, and to establish weight of bushel for certain commodities commonly sold by the bushel.

He said: I do not think any further explanation is necessary than was made the other day on the resolution with regard to this bill. The intention is simply to repeal certain legislation now included in other statutes and to reenact certain sections in a new bill.

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

Sections 1 and 2 agreed to.

On section 3—Definitions.

Mr. SENN: Is there any difference between the definition of "dealer" in this bill and what it was formerly?

Mr. GARDINER: The definition in the original act was in the section which dealt with binder twine, but it means almost exactly the same.

Section agreed to.

On section 4—Analysts and inspectors.

Mr. BENNETT: I think subsection (b) should be very carefully considered by the committee. It does not seem to me quite proper that the minister should establish the commodities and the legal weights of commodities; it should be set out in the statute so that anyone may see it. It is highly desirable that anyone should be able to ascertain "the legal weight per bushel for such additional commodities not already covered by section 18 of this act as may be deemed necessary." To have it done by the minister means that people have no way of knowing what the law is and may frequently find themselves in difficulty. That objection has been frequently taken and successfully urged in this chamber. That the minister should fix the legal weight for a commodity, with no statutory provision therefor, is contrary to the general principles which should govern legislation of this kind.

Mr. GARDINER: I presume the reason for the provision is merely to enable the list provided in section 18 to be added to. The list in the original act is a very short one, consisting of eight items, starting with bituminous coal and running to timothy seed. Since that time it would appear that it has been necessary to add many items, and the list is now rather long as we have it in section 18. It is considered advisable that as time goes on and new items may require definition as to weight, someone should have the authority to add them to the list from time to time.

Mr. BENNETT: That is exactly the point. Parliament meets once a year, and there is no reason why additional commodities should not be inserted in section 18 from time to time by parliament. To have the minister settle what they shall be and thus have the public ignorant of what they are is contrary to principle that should govern an act dealing

with the sale of commodities. There will be no means by which one can readily ascertain just what weight a given commodity added to section 18 should have. In other words, it is legislation by a single individual, adding to a section commodities that are not in the act at all and with respect to which under the act there is no means of making known to the public what the weight is and what the commodity is that is being dealt with under section 18. I think the minister will see that this is unsound, because here we are dealing with certain commodities in a statute. If subsection (b) of section 4 is to operate, there is no need of doing this at all. The minister needs only to pass that subsection and determine what shall be the weight of salt and other matters of that kind. If we come to parliament, as we are doing now, to deal with certain commodities, as is the case now, it seems to me that it is not logical or consonant with sound reason that we should depart from that procedure and leave it to the minister to add to section 18 any commodities he wishes.

I think the minister would be the first to object to that if he saw it himself, for it is hardly fair to the community. Subsection (b) need not be there next session. If the minister has additional items he comes to parliament, as he is doing to-day, and adds those items to section 18. I think it is an act of parliament, rather than the view of one individual who is the Minister of Agriculture for the moment, that should govern with respect to the matter. I think the minister will not regard that as an unfair statement. The Minister of Trade and Commerce is charged with the administration of the Weights and Measures Act. This is a special provision dealing with certain matters that are deemed to have greater bearing upon agriculture than upon matters of trade and commerce.

Mr. GARDINER: Mr. Chairman, I quite appreciate the strength of the argument advanced by the right hon. leader of the opposition, but I would suggest that it is really necessary to have subsection (b) there, for this reason: It is assumed that all the items which will need to be dealt with are now in the bill, but there is always the possibility that between sessions the necessity may arise for some weight being set upon the bushelage of something not now contemplated. I think it would be safer to have that power in the hands of the minister, acting on the advice of officials of the department, than to leave the commodity to be dealt in with no definite weight established until the house may meet again. I would imagine that the only advantage which would be taken of this section would be to deal with cases of that kind.

Mr. BENNETT: Has the minister not answered his own argument? The fact that he comes to parliament at all to deal with binder twine and a number of other commodities now in section 18 is conclusive proof, in my judgment, that parliament and not the minister should deal with them. Otherwise it would be only necessary for the minister to pass subsection (b) and then make up his list. But parliament determines the weight of alfalfa seed, bituminous coal and matters of that kind, as they are set out in section 18 on page 4 of the bill. When we find it convenient to come here with respect to binder twine and salt, it indicates that with parliament meeting once a year there is only a period of about six months when parliament could not pass a bill dealing with other matters, and it is better that we should preserve some semblance of democracy in our institutions rather than say that notwithstanding the fact that we have come here to deal with these matters under section 18, we are now going to deal with similar matters by handing them over to the minister. I think the minister will admit that to be unsound. The answer to the argument advanced by the minister is contained in the very bill itself; otherwise there is no need of its being here.

Mr. GARDINER: I am sorry, but I do not think the leader of the opposition has really got my point. There is the possibility that some commodities with which we are not in these days dealing in Canada, may come to be dealt with at any time. By scientific and other means we are developing new commodities; we even have plants brought into sale from time to time which in previous years were not being dealt with commercially. For two or three months before the house meets there may be a need for somebody to define the weight at which that commodity is to be sold, and it seems quite fair to leave in the hands of the minister the power to set that weight. Then, when the house met, perhaps two or three months later, of course parliament could deal with the commodity and put it on some definite list.

Mr. SENN: A number of commodities in general commercial use are not included in this list. For instance, there are carrots, potatoes and other vegetables. They may be dealt with in another statute; I do not know,

but unless they are it seems to me that the minister would have power under this section to deal with them as he saw fit.

Mr. GARDINER: I do not think there would be any chance of any minister dealing with them otherwise than in the manner in which they are dealt with in the ordinary trade. That is, there are established weights for all of these ordinary commodities with which we are dealing, and I do not think any minister would attempt to change that.

The DEPUTY CHAIRMAN: Shall the section carry?

Mr. BENNETT: No. I must say that I think there is a great principle involved here, a principle with regard to which the present Prime Minister railed for hours. No wonder the hon. member for Melfort (Mr. McLean) nods his head. Apparently he did not intend to do so, but he remembers the incident to which I refer. It is wholly unsound. Think what it means. It means that we have clothed one man with authority to do what? We have given him authority to establish a legal weight per bushel for such commodities not already included under section 18 of this act as may be deemed necessary. This is not even to be subject to the provisions of any other statute. It gives the minister the power to repeal statutes which have to do with the weights of other commodities.

I am satisfied that this is bureaucracy gone mad. That is what it means. I can remember the present Prime Minister taking hours of the time of the house railing against this sort of thing. This involves a very important principle, namely parliament clothing one individual with the power to fix and establish a legal weight per bushel for any commodity not already dealt with under the act, regardless of all the other statutes in the country. Wheat is named here. Potatoes are not. It is not to be even a matter of order in council; it is the minister himself who may do this. That may be Liberalism, but it is not the brand of Liberalism which was preached from this side of the house during the years from 1930 to 1935. However, other days, other manners.

I cannot think that the minister desires to assume such dictatorial and autocratic powers as are here concerned. If it were not for the principle which is involved I would not waste the time of the committee in speaking about the matter. The principle is: Shall parliament confer upon one man the right, regardless of what other statutes say, to fix the weight of a commodity at any figure he sees fit, and include it as part of section 18, when parliament is now dealing with several commodities, to bring them within section 18 and enlarge the list? In future the list may be enlarged by somebody else. It is just that sort of legislation, as I say, against which the present Prime Minister used to argue not for minutes but for hours, reading from many learned authorities. I can see before me many who on various occasions read from Lord Hewart's book to indicate what a terrible thing it was that the will of the people should be used thus for the purpose of clothing one man with the authority of parliament itself. I dare say there are some who will remember the harsh terms that were used, and the effort made to indicate one man as the person who deserved them. I certainly remember it, being the person alluded to, but apparently that is not a matter of importance now. I do think the minister should not place himself in that position, but of course we realize that he has the power to pass this bill.

Mr. DUPUIS: Mr. Chairman, I remember quite well the incident to which the right hon. leader of the opposition referred, in regard to the present Prime Minister. I personally protested against the custom of giving a minister of the crown arbitrary power. The then Prime Minister, or his ministers, between 1930 and 1935 stated that that was the usual way to do it, and that otherwise the minister could not administer his department.

Mr. BENNETT: Those were regulations made by the governor-in-council.

Mr. DUPUIS: And even in bills. If I had the time I could put my finger on scores of bills—

Mr. BENNETT: You would have great difficulty.

Mr. DUPUIS: —where apparently arbitrary power has been given.

Mr. BENNETT: Be good enough to name one.

Mr. DUPUIS: Of course the right hon. gentleman knows it very well.

Mr. BENNETT: That is unparliamentary, but we will pass it by. Name one.

Mr. DUPUIS: If the right hon. the leader of the opposition would give me a chance I could name scores of bills where the same thing was done by the former government.

The DEPUTY CHAIRMAN: Shall the section carry?

Mr. BENNETT: No, but I am not going to waste more time on it.

Mr. GARDINER: Let it stand until I have an opportunity to look into it.

Section 4 stands.

On section 5—Appointment of analysts and inspectors.

Mr. SENN: How are the inspectors to be appointed, and how are they appointed at the present time? Are the appointments under the civil service commission, or by the minister?

Mr. GARDINER: By the civil service commission, under the law, as the section states.

Mr. BENNETT: Is it not necessary to add the appropriate words? That was discussed in the house, and it was thought desirable that the proper words be added to make it clear that the civil service commission must deal with the matter. Possibly that did not happen since this parliament began, but I know that appropriate words were added with respect to the civil service commission. I think the minister knows what I refer to.

Mr. GARDINER: Yes. Last session there was a discussion in connection with the Seeds Act.

Mr. BENNETT: I think that is right, yes.

Mr. GARDINER: I asked the department this year to insert the proper provision. I believe that has been done.

Mr. DUNNING: The words "authorized by law" have been inserted to cover the point.

Mr. BENNETT: That is right, yes.

Section agreed to.

On section 6—Labels on binder twine for sale in Canada; for export.

Mr. SENN: It seems to me that this clause may be a little ambiguous. We find in section 3 that a dealer means:

> The person or firm manufacturing or importing or selling or having in possession for sale any binder twine.

Does section 6 mean that each man into whose possession the binder twine comes must have his name attached to the label on the binder twine, or does it mean that any one of them will be sufficient?

Mr. GARDINER: Section 169 of the act reads as follows:

> 169. In the following provisions respecting binder twine "dealer" means the person or firm manufacturing or importing or having in his or its possession for sale, or exposing or offering for sale, any binder twine.

Although some few words are different, the meaning is practically the same. Section 170 of the old act is practically the same as section 6 in the bill. It is under that section that in the past sale has been carried out.

Mr. SENN: Suppose I am a dealer in a certain town retailing binder twine and, on analysis, it is found that the binder twine is not in accordance with the provisions of the act, am I liable because the name of the firm which manufactured the binder twine, and not my name, is on the label. It seems to me the section puts the dealer or the retail merchant in an unfortunate position. If that is not the intention of the section, and if it is clear to other people that my interpretation is not the correct one, I am satisfied.

Mr. GARDINER: My experience is that in the past anyone selling binder twine improperly labelled was liable.

Mr. SENN: Whether or not he is a dealer?

Mr. GARDINER: Yes.

Mr. BENNETT: There are only one or two words which seem to present any difficulty. At the end of the section we find that the onus of proof lies upon the dealer "who has or has had the binder twine in his possession."

Mr. DUNNING: That is in connection with export.

Mr. BENNETT: I know that. First of all it is quite clear that binder twine for export need not be labelled in the manner prescribed by the section and second if it is used domestically and is not so labelled the onus of proving that it was for export lies not only upon the dealer but the dealer "who has or has had the binder twine in his possession." I direct attention to these words because they make possible a difficult situation. The minister will correct me if I am wrong but my memory is that the onus of proof has always been upon the dealer in this matter. I think in this instance, we have gone a bit farther. Although I do not carry all these matters in my memory, it would seem to me that the words "who has or has had the binder twine in his possession" create an almost impossible situation.

Mr. GARDINER: Probably the position taken by the leader of the opposition is the correct one. A careful reading of the old act would indicate that perhaps there has been a change. It may have been made for a purpose and, on the other hand, it may have been written in unintentionally. In view of the circumstances I had better let the section stand and have it checked. The old section reads:

> The onus of proof that any unlabelled binder twine is manufactured for export only shall

rest upon the manufacturer, dealer, carrier or other person in whose possession the binder twine is found.

Mr. BENNETT: This is quite different.

Mr. GARDINER: Yes, and I shall have it checked. Meantime I ask that the section stand.

Section stands.

On section 7—Reconditioned or rewound binder twine.

Mr. GARDINER: I have an amendment suggested by a firm of binder twine distributors which I shall ask my colleague to move.

Mr. DUNNING: I move that the following be substituted for section 7:

7. No person shall sell, offer or have in possession for sale as binder twine in Canada, any binder twine which has been damaged by fire or water unless:

(a) in the case of damaged binder twine which has been reconditioned, the original tags on the balls of twine have been removed and replaced with tags labelled in accordance with section 6 of this act, and in addition with the words "Reconditioned Binder Twine," and the original markings on the sacks containing the damaged binder twine have been obliterated or concealed, and the sacks, or labels durably attached thereto, labelled in a conspicuous manner "Reconditioned Binder Twine" or,

(b) in the case of damaged binder twine which has not been reconditioned, the original tags on the balls have been removed and replaced with tags labelled in accordance with section 6 of this act, and in addition with the words "Damaged Binder Twine," and the original markings on the sacks containing such damaged binder twine have been obliterated or concealed, and the sacks, or labels durably attached thereto, labelled in a conspicuous manner "Damaged Binder Twine."

Amendment agreed to.

Section as amended agreed to.

On section 8—Prima facie evidence of improper labelling.

Mr. BENNETT: I believe this is what the experts call random sampling. During the sittings of the price spreads commission the question of random sampling came up and it was found to be highly unsatisfactory. One in twenty is a pretty wide margin, is it not?

Mr. GARDINER: It is the section as it stood in the previous act.

Mr. BENNETT: I know it is.

Mr. GARDINER: It must have been found to be fairly satisfactory as I have had very little complaint with regard to it.

Mr. SENN: Have there been any convictions under this section?

Mr. GARDINER: I have no record of any, but there may have been.

Section agreed to.

Section 9 agreed to.

On section 10—Offences.

Mr. BENNETT: Subsection 2 is important.

Mr. SENN: This is one reason why I drew the attention of the minister to the definition of "dealer" and to the fact that a dealer is liable if the binder twine does not comply with the regulations. For instance, he is liable if the binder twine does not run 600 or 500 feet to the pound as it may be represented. It would be impossible for a dealer to know this and he is not in a position to find out. If he is a retail merchant I do not think he should be held responsible for a difference of five per cent in what is represented. That would be a very difficult position in which to put a dealer. After all, five per cent is quite a wide margin. With binder twine running 600 feet to the pound, that would amount to thirty feet. If a farmer buys binder twine supposed to run 600 feet to the pound and gets only 570 feet, that is too great a difference.

Mr. GARDINER: I have not had an opportunity to inquire into this section. Section 6 has been allowed to stand, and I should imagine it is just that thought which was in the minds of those who were responsible for redrafting this section. If section 6 is drafted to take care of what the hon. member has in mind, then there should be no difficulty with this section.

Mr. SENN: Does the minister not think that five per cent is quite a wide variation? Surely manufacturers of binder twine putting out twine to run 600 feet to the pound should be able to come within thirty feet?

Mr. GARDINER: That has always been the standard, and I believe it has been found to be quite satisfactory.

Mr. SENN: That would be quite an item where a man was buying a large amount of binder twine.

Mr. BENNETT: I am not going to argue this point because I am not sufficiently familiar with it, but I think five per cent is rather high. When we come to consider salt we find it stands in the same position. Five per cent is rather a large margin of tolerance in connection with a commodity that runs 600 feet to the pound. I think it is going pretty far when it is no violation of the statute to be short thirty feet in 600 feet.

Mr. DUNNING: The difficulty with binder twine is when it comes too long, not when it comes too short. If the twine has been spun out too thinly it loses tensile strength. My experience has been that I would rather have it come short.

Mr. BENNETT: What a fuss the minister would make if he paid for 600 feet and got only 570 feet.

Mr. SENN: The better grades of binder twine do not lose their tensile strength in the same way as the cheaper grades.

Mr. DUNNING: Quite right.

Mr. SENN: An allowance of five per cent is worse in connection with the lower grades.

Mr. DUNNING: When you get a greater length than is stated on a ball of a cheaper grade of twine, you find the twine breaking every few minutes.

Mr. GARDINER: Since 1907 the section has read:

No deficiency in the number of feet of twine contained in any ball shall be deemed to be a contravention of this section unless the deficiency exceeds five per centum of the length indicated by the label.

If it is less than five per cent, it is not an offence.

Section agreed to.

Sections 11 and 12 agreed to.

On section 13—Name and address of packer or importer on every container.

Mr. BENNETT: Would the minister give us a little explanation of this part II, referring to salt. In my time the unit used to be a barrel weighing so much, but now the salt is put up in round paper containers with a patent outlet and usually marked with the weight. It is proposed that that practice will be continued in place of the old standard, but there is nothing that indicates any standard hereafter with respect to salt. There is nothing in section 18 and there is no standard unit any longer. This section means that any package containing salt shall have marked upon it the weight in the container. That is the way it strikes me.

Mr. GARDINER: That is my understanding of it. The old section read:

Every barrel of salt packed in bulk, sold or offered for sale, shall contain two hundred and eighty pounds of salt, and every barrel or sack of salt sold or offered for sale, shall have the correct gross weight thereof, and in the case of a barrel the net weight also, marked upon it in a plain and permanent manner.

[Mr. Bennett.]

The present section provides for the modern method of packing and selling salt in many different sizes and forms of containers. The old protection would be no protection at all.

Mr. BENNETT: Would it not be desirable to do away with the five per cent? If my memory serves me correctly, salt is now put up in containers of one or two or more pounds. These containers have a patent outlet in the end. I think the old provision of five per cent in connection with barrels should disappear. One can understand that the provision of five per cent in connection with a barrel of salt supposed to weigh 280 pounds might have some application, but with the present method of selling salt in these paper containers it occurs to me that a tare of five per cent is too large. There is no other commodity that I know of which is similarly packed and in connection with which there is a tolerance of as high as five per cent. It is not a case of there being a shrinkage in the weight with the present method of packing as the present packing is done in a most careful way.

Mr. DUNNING: It is a commodity that is presumably packed very dry.

Mr. BENNETT: If anything, it would gather weight. I am sure the minister is familiar with the patent containers and how the salt flows out in a dry manner.

Mr. DUNNING: If it does not flow, then it is heavier than it ought to be.

Mr. BENNETT: That is the point exactly. I should think that the old margin of tolerance which was applicable to barrels of salt that got knocked about and lost a certain amount of weight should no longer apply. Such a tolerance does not apply to any other commodity packed in a similar way.

Mr. GARDINER: In view of the fact that we are having the bill stand, I ask that this section stand. I do not think there is any provision in the old act for—

Mr. BENNETT: —any tolerance.

Mr. GARDINER: —any tolerance at all.

Section stands.

On section 15—Markings on barrels and other containers.

Mr. STIRLING: Does this act set out to cover block salt such as is used by dairy farmers, that is, put out for the cows to lick?

Mr. GARDINER: Section 15 does not cover salt of that kind.

Mr. BENNETT: This does not cover rock salt. Might it not be well to add that provision?

Mr. GARDINER: I will check that before coming back.

The DEPUTY CHAIRMAN: Section 15 stands?

Mr. GARDINER: I think section 15 can pass. We can check rock salt, as to whether we need any provision for it in the previous section.

Mr. BENNETT: If the minister will again look at the section, I think he will agree it does not go quite so far as it has been suggested that it should.

When bags or cartons of salt are packed in barrels or in cardboard containers, the head of the barrel, or both ends of the cardboard container, as the case may be, shall be properly and correctly marked in a plain and durable manner with the number of bags or cartons therein and with the gross weight thereof.

You cannot mark the end of a carton with "the number of bags or cartons therein." The point that the minister made in speaking of it was that the new carton which takes the place of the old barrels in larger quantities shall have marked upon it the weights, and I think he will find there are some words left out there; for obviously it is not the number of bags or cartons which are in the carton that we are concerned about; it is the weight in the carton which should be marked on each end.

Mr. DUNNING: The two sections, 14 and 15, require to be read together. They are dealing with different things.

Mr. STIRLING: These are cartons within cartons.

Mr. BENNETT: Cartons within cartons; that is the way to put it.

Mr. DUNNING: Then it is all right to carry section 15?

Mr. BENNETT: No; it should be reconstructed to cover the sale of the small carton, which now bears upon it—I was looking at one the other day—the statement of the weight. This point is not contemplated in the section at all; for it deals only with cartons within cartons.

Mr. DUNNING: The previous section deals with the individual carton.

Mr. BENNETT: Yes. Section 14 says the container shall have these marks on it. Then, "when bags or cartons of salt are packed in barrels or in cardboard containers"—I suppose that means larger containers.

Section agreed to.

Section 16 agreed to.

On section 17—Limitation of prosecution.

Mr. BENNETT: I believe that three months will be too short a time with regard to the question "after packing or repacking," because this contemplates a possible packing taking place which may not become known to the consuming public for some considerable time. I suggested that "three" should be "six." The minister might look carefully at that. The difficulty is that as yet salt is not found in all the provinces. As a matter of fact there is, as is known, a very large deposit at Fort McMurray; but it is a long distance away and so far it has been found difficult to handle that salt as a commercial commodity. In some of our remote communities the salt could be sold, transferred and distributed and the discovery would not take place until much longer than three months. Originally, I believe, the time was thirty days; at any rate it was shorter than at present.

Mr. GARDINER: I see no objection to making that "six" months.

Mr. BENNETT: I think it would help. It does not hurt anybody.

Mr. DUNNING: I move:

That the word "three" in section 17 be struck out and "six" substituted therefor.

Amendment agreed to.

Section as amended agreed to.

On section 18—Manner of determining a bushel.

Mr. STIRLING: Why are several commodities commonly sold by the bushel, such as apples, potatoes and carrots, omitted from this clause?

Mr. GARDINER: I am quite satisfied that all of those are contained in some other legislation. This is intended to deal only with matters such as were originally in the bill entitled the Inspection and Sale Act, which is now being repealed, and which have not already been covered by other legislation.

Mr. STIRLING: The minister referred to this as being an extended list from the previous act; but it does not pick up, then, all commodities which are commonly sold by the bushel; it leaves other acts to take care of them?

Mr. GARDINER: Obviously it does not take care of them all. If the committee so desires, I shall have the section stand and

make sure on that point, but I think the other items are all included in other legislation.

Mr. BENNETT: I think this deals with what one might call the agricultural side rather than the commercial side of commodities.

Mr. SENN: Are the weights which are prescribed there those that are usual in the trade? Is there any variation, so far as these different commodities go, from the accepted weights in the trade?

Mr. GARDINER: I do not think there is any variation; I believe these are the usual weights. From just going over this list my impression would be that practically all the commodities listed here are those commonly sold to farmers in the way of seed.

Mr. SENN: Probably the commodities to which the hon. member for Yale was referring come under the fruit branch and the acts which relate to it.

Mr. GARDINER: Vegetables and so on.

Mr. BENNETT: I am sure the minister has given consideration to the question whether it should be possible to make an arrangement for the sale of commodities by other than weight. The minister knows that complications have arisen, and sometimes litigation has ensued, where one man was talking about a bushel by measurement and the other man was talking about a bushel by weight. This statute provides that in the absence of an agreement for determining a bushel by measure, any reference to a bushel would mean a bushel by weight. It is a provision which I think is sound. I wonder whether we should not go further and provide that all goods should be sold by weight. There is another matter which I submit is worthy of consideration, because frequently I have known difficulty to arise through the contention being made that the so-called bushel measure was not an accurate measure of a bushel, whereas weight is a matter of exact determination and can be arrived at without difficulty. With me it is a question whether in these days the act should not be modified to provide that the standard for these purposes shall be a bushel by weight and not by measure.

Mr. GARDINER: Well, that section will stand, then.

Section stands.

Sections 19 to 21 inclusive agreed to.

Progress reported.

[Mr. Gardiner.]

FARMERS' CREDITORS ARRANGEMENT ACT

BOARDS OF REVIEW, TIME LIMIT FOR FILING PROPOSALS, ETC.

Hon. CHARLES A. DUNNING (Minister of Finance) moved the second reading of Bill No. 25, to amend the Farmers' Creditors Arrangement Act, 1934.

He said: I did not intend to make any extended remarks on the second reading inasmuch as the discussion was fairly full on the financial resolution preceding the introduction of the bill, and in view of the further fact that a discussion on the separate sections of the amending bill will be rather easier than any attempt to discuss the general principle.

Right Hon. R. B. BENNETT (Leader of the Opposition): I suggest to the minister the advisability of referring this bill to the committee on agriculture, or some other appropriate committee. I do so for this reason. The court in Manitoba has held, I believe, that the act does not apply to a corporation. I believe the departmental officials advised that it did apply to a corporation in which the farmer had incorporated his enterprise and called it a limited company. That view was acted upon in one case, but it went to the court of appeal in Manitoba.

There are a number of other points on which suggestions have been made. For instance, the chief justice of Alberta suggested that jurisdiction should be conferred upon the board of review to deal with a second hearing when there had been a drought and there had been no opportunity for the farmer to give effect within the time limit to the provisions of the compromise arrangement. It is pointed out by many who have suffered under the act that there has been a lack of consideration, on the part of some of the authorities, of the essential condition precedent upon which the act was based, namely, the insolvency of the farmer. The basis of this act is insolvency.

Mr. DUNNING: Quite.

Mr. BENNETT: It is not desirable that farmers should be dealt with as ordinary bankrupts are, because that would involve liquidation of the assets and division of them ratably among the creditors. The purpose was to maintain the principle of bankruptcy and let the farmer work out his own salvation in fear and trembling, paying his creditors, not from the forced liquidation of his assets, as provided by ordinary bankruptcy proceedings, but by making his property more profitable. But the condition precedent to every-

thing was insolvency, that is, inability to pay his debts, and unless that condition attached there was no right to apply under the act. That has, in some instances, been disregarded, and serious consequences have followed with great complaint on the part of those who have been thrifty and saved and lent money sometimes to thriftless persons who now laugh at them.

That situation should be considered, and, as I have said, I suggest to the minister the advisability of referring the bill to the committee on agriculture or some other appropriate committee. The hon. member for Weyburn (Mr. Douglas) had suggestions to make the other day. With some of them I am heartily in accord, and I have some suggestions that I should like to make myself. The hon. member had a bill on the order paper. If the bill were referred to an appropriate committee I believe a useful purpose would be served, and it would enable the act to be amended in such a way as to afford a measure of relief that the act does not now afford.

I know there are many suggestions which many members of the house would like to make by way of amendment, and I was going to ask the minister if he could not see it in his heart—his mind rather than his heart—to refer the bill to such a committee as he might name in order that opportunity might be afforded for the suggestion of other amendments than those contained in his bill. Otherwise there will be other bills introduced embodying other amendments, which is the negation of efficiency and effectiveness in parliamentary practice. I believe this difficulty could be overcome if the suggestion I make were acted upon.

Mr. DUNNING: With the permission of the house may I say that I could have given consideration to the suggestion, with rather more time to consider it, had I learned of it previously.

Mr. BENNETT: Give the bill the second reading and then let it stand.

Mr. DUNNING: Naturally, in connection with such a complex matter as this admittedly is, I have a prècis of all the suggestions which have been made in connection with the act from both of the extreme points of view—extremes which have just been mentioned by the leader of the opposition (Mr. Bennett). I may say frankly that until this year I despaired of getting a sufficient degree of unanimity, or shall I say compromise, between the two very wide extremes as reflected in discussions in the house on former occasions, to warrant opening the act at all. I think the leader of the opposition has a keen appreciation of both the extremes to which I am referring. Other members of the house are conscious more particularly of one of the extremes and seldom of the other. I think I may say that without offence to any hon. member.

I thought that in introducing the bill in this form it would be possible to secure agreement with respect to the proposed amendments largely because, by virtue of one of them, the operation of the act could be terminated in those provinces in which experience has demonstrated that its usefulness is now past and that it has in fact become more generally a detriment than an assistance to those whom it was designed originally to help. At the same time provision is being proposed along the line represented to us, particularly by bodies which are in close touch with the farmer and the representative of the farmer, that in those provinces where the need still manifestly exists, the machinery might be improved and speeded up to the end that the effectiveness of the act might be greater, also with, in addition, clarification of a couple of very difficult points which were referred to in the discussion on the financial resolution, one regarding privity of contract and the other regarding the affairs of deceased farmers.

If there is a general desire in the house to have the matter referred to a committee I am inclined to accede to that desire. But I would point out that if there is a committee investigation there will be the strongest kind of representations for the termination of this act. As to whether we should really improve the act as a result of a kind of free-for-all hearing of witnesses, which would undoubtedly occur before a committee—

Mr. BENNETT: No; that was not intended at all. To refer it to a committee for the purpose of receiving suggestions from members of the house was all I had in mind.

Mr. DUNNING: I can tell my right hon. friend that literally thousands of representations are being received with reference to this act and the necessity and desirability, from the standpoint of a great many people, of definitely terminating its operation. On the other hand, from the sections of the country which still need the application of this law there are equally hundreds if not thousands of representations advocating the broadening of its scope, the widening of it still more in favour of the debtor as against the creditor. I do not know any piece of legislation with which I have had to do concerning which there are such wide extremes of opinion among the people affected. It was

for that reason that I felt it desirable to deal with the matter in the house if possible rather than get into a committee proceeding where it is difficult to visualize an unwillingness to hear representations pro and con from all over the country.

However, I am in the hands of the house, and if there is a disposition on the part of hon. members to desire a committee reference, I shall accede to that request. Offhand, if such reference is desired, I think I would suggest the banking and commerce committee as perhaps the most suitable for the purpose. I suppose the committee itself would have to determine whether or not it would hear representations pro and con from all over the country. I can assure the house that if such a committee is decided upon, the sessions will be lengthy; there will be many representations and many concerns desirous of appearing by counsel before the committee. If, however, there is an expression of opinion now on second reading in favour of reference to a committee, I shall ask the house to give the bill second reading and then I shall come along with the proper motion after we have had time to consider the matter further.

Mr. BENNETT: If I might say a further word, I had no intention that the reference to a committee should involve the calling of witnesses, and I did not propose that when the minister moved that the bill go to a committee, he should embody provisions for calling witnesses. My proposal was only for the purpose of enabling members of the house who have suggestions as to reasonable methods to put them before the committee without having to take up the time of the house in submitting amendments which could not be as thoroughly discussed in committee of the whole as they could before a standing committee. I agree entirely with what the minister said as to the inadvisability of proceeding along the lines to which he has referred, and it was not intended that his motion should embody any provision for hearing counsel or witnesses; the idea was merely that members of the house might have an opportunity to appear and suggest amendments which I dare say most of them have had suggested to them by their constituents.

Mr. M. J. COLDWELL (Rosetown-Biggar): If this bill is to be referred to a committee, might I suggest that it be a special committee? I believe with the Minister of Finance (Mr. Dunning) that there would be large numbers of representations, probably written as well as by people who want to be heard; and as a member of the banking and commerce committee I believe that the time of that committee is going to be very well occupied. I noticed to-day, there was a motion to allow the committee to sit coincidently with the house. It seems to me that if this matter is to be discussed by a committee, it should not be the banking and commerce committee, or no conclusion might be reached this session, and I am of the opinion that we should come to some conclusion this session.

Mr. DUNNING: Oh, positively.

Mr. COLDWELL: I believe the Minister of Finance is taking the proper course in endeavouring to meet the needs of the various provinces in this regard, and I can assure him that as far as Saskatchewan is concerned it is a matter of very pressing need. The people there look to this session of parliament to do something in two directions; to relieve the present necessity, and if possible to give some relief to those who had their cases dealt with by a former board, conditions having become aggravated in the last two or three years. So I support the idea of having this question considered by a committee, but I think it should be a committee other than the banking and commerce committee, possibly a special committee.

Mr. E. E. PERLEY (Qu'Appelle): I desire to support the suggestion made by the leader of the opposition (Mr. Bennett) and the hon. member for Rosetown-Biggar (Mr. Coldwell). I think it is absolutely necessary that some further amendments than those provided in this bill be made to the act to meet the situation in Saskatchewan. I know the people there are looking for further amendment, and I support the proposal that the bill go to a committee. I think the suggestion of the hon. member for Rosetown-Biggar is a good one. Some of these committees are getting pretty well loaded up with work, and as action should be taken promptly in this matter perhaps a special committee is desirable.

Mr. W. A. TUCKER (Rosthern): I rise with some hesitation to express an opinion on this matter. The suggestion of the leader of the opposition (Mr. Bennett) is that this committee should be restricted pretty well to hearing the opinions of hon. members. Now, as I understand, hon. members can express themselves quite freely and make suggestions and propose amendments in committee of the whole house—they cannot move amendments which may involve expenditure of money, but they can suggest them, and I assume

they will be given sympathetic consideration by the government. It seems to me that matters not as important as this have been deemed worthy of consideration by the committee of the whole house, and I do not see why there should be the suggestion from the leader of the opposition, who has taken time for some matters not as important in my opinion as this, that this is not worthy of consideration by the committee of the whole house.

Mr. BENNETT: It would have to come back to the committee of the whole house.

Mr. TUCKER: Well, that is no reason why the matter should be put into the hands of a special committee which, if it is to hear witnesses at all, will be subjected to pressure to hear others than members of the house. I do not see how the committee could possibly refuse to hear witnesses who wished to appear. People will say, Why should members alone be permitted to give evidence? And once the matter is opened up, as the Minister of Finance has said, there will be a drive to have this act repealed. I think the government have been wise to open this in a restricted way and keep it restricted. Any amendments worth while can be suggested in committee of the whole house, will have sympathetic consideration and will be dealt with promptly, and this procedure will save the whole matter from becoming a subject of controversy all over the country.

Mr. W. G. CLARK (York-Sunbury): I am in favour of the view expressed by the hon. member who suggested that this could be dealt with in committee of the whole house. As far as my province is concerned I am sure that this act has been a detriment from the beginning, and the desire of our province is to have it discontinued. But we would like to have the matter settled one way or the other during this session.

Motion agreed to and bill read the second time.

Mr. SPEAKER: When shall the bill be considered by the committee of the whole?

Mr. DUNNING: At the next sitting, I think, because I should like to give consideration to what has been said. There has not been a broad expression of opinion from many members, but I should like to give consideration to what has been said before the bill is again discussed. I am certainly impressed with the seriousness of the difficulties surrounding the act, and I am anxious to pursue a course which will develop something constructive, although I am quite sure that no course can be followed by this parliament which will satisfy either extreme view. It is quite impossible to do that. Of course we may land in the position where we succeed in satisfying no one, but I am quite sure that we can succeed in improving the position of the unfortunates of both classes, creditors and debtors.

Mr. SPEAKER: Mr. Dunning moves that the bill be not now referred to the committee of the whole, but that it be referred at the next sitting of the house.

Motion agreed to.

SUPPLY

UNEMPLOYMENT RELIEF—STATEMENT OF MR. ROSS (ST. PAUL'S) ON MOTION OF MINISTER OF FINANCE

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, as it has been the practice in parliament from time immemorial for members to present the grievances of their constituents before supply is granted, I wish to avail myself of this opportunity to present the grievances of my constituents with respect to the policy of the government in the distribution of the money voted by parliament for grants in aid, as it affects my constituents in regard to providing funds for unemployment relief. This is a matter of grave urgency, and affects not only my riding of St. Paul's but the city of Toronto and the province of Ontario.

Let us consider the statement of the Minister of Labour (Mr. Rogers). On Wednesday, February 23, there appeared in the Ottawa Journal a report of a statement purported to have been made by the hon. minister. It is headed, "Irresponsible Threats Futile." In this statement the Minister of Labour is reported to have said:

> Nothing will be gained by irresponsible threats in the discussion of the relief problem in Ontario.

I do not know what "irresponsible threats" were made, other than that the federal government would have to take care of the relief for the increasing number of those unemployed needing relief, and that in the event of the federal government not providing funds for this purpose, the municipalities would be unable to do so and the unemployed would have to take the consequences. Why should they be the goat, when this matter is none of their making? I wish to register my protest.

The minister refers to "irresponsible threats." It seems to me it shows rather a lack of

dignity on the part of the minister in expressing himself in this manner. I do not think it becomes a minister of the crown. The minister has been referred to in the press as a "tough guy" for this reason. To say the least, it casts a slur on those in positions of authority in the municipalities and in the province of Ontario. I think it might be well to appreciate the fact that there is serious urgency and a great deal of discontent in connection with this matter. Those who have the responsibility with respect to the solution should receive courtesy, whether the hon. minister thinks they deserve it or not.

There is a big trek into the city of Toronto of unemployed from outside, which throws a further burden on the city, and this is so with other municipalities. In 1930, when the Prime Minister made the statement in the House of Commons that he could see no urgency with respect to the unemployment situation in Toronto, there were thousands of citizens of that city starving, and the citizens of Toronto themselves were forced to come to the help of these destitute people. I wonder if the Minister of Labour sees no urgency in Toronto at the present time. Perhaps he will not go as far as to say "not a five cent piece for Tory Toronto."

Toronto has stood the burden of relief up to the very limit and far and away beyond what is the city's responsibility. There is an urgency to this matter. The municipality of the city of Toronto is unable to strike its tax rate at the present time. Relief has been so heavy, and the fact is that the municipalities are now so burdened by taxes that they are unable to contribute further. The city is faced with an increased allowance for relief. The allowance was based on the Campbell report made several years ago when prices were much lower, and is inadequate at the present time. The Minister of Labour is reported to have stated:

> It is important to remember that the unemployment problem is gradually moving in the direction of solution. This statement is supported by preliminary figures contained in reports received from every province.

That may have been so some months ago, but the situation had materially altered in January and February of this year in the city of Toronto, and I imagine this is so in other municipalities. There was a very large increase in the number of those on relief in January of this year, and a still further increase in February. There were over 68,000 on relief in January. There were over 73,000 on relief in February. There are more now, and we know that there are a great many who have become unemployed but who have not yet gone on relief. A great many are of the opinion that there are as many people in the city of Toronto unemployed to-day as there were at this time last year, if not more. In any event, there are almost as many on relief as at this time last year. In my own riding of St. Paul's I can hear on every side nothing but conversations of this kind: "Bill has been laid off." "Tom's on short time." "I wonder how soon I will be cut down or laid off." "Do you think we are going to have another depression?" And yet the Minister of Labour is reported to have said that the unemployment problem is gradually moving in the direction of a solution.

The Minister of Labour is reported to have stated:

> As to the question of the dominion government's contribution by grants in aid, three things should be borne in mind in considering this:
>
> (1) That Canada, being under a federal constitution, the dominion government is bound to exercise absolute impartiality in granting aid;
>
> (2) That aid granted must be paid by all Canadians;
>
> (3) That unemployment has decreased.

With respect to (3), in the last four months unemployment has not decreased in Toronto; it has increased, and the prospects are that it will continue to increase. With respect to (1) and (2), I quite agree with the minister, but this is not being carried out. Far from it; instead of exercising "absolute impartiality", the greatest partiality is being shown. The hon. minister is reported to have stated:

> Now, as we near the end of the fiscal year, a demand comes from one province for an immediate increase in the grant in aid to that province. This demand is made even though the province in question is in excellent condition financially, and quite able to assist needy municipalities.

And again:

> The grant to Ontario is fair and reasonable, having regard to the reduction of relief and the financial position of the province.

Most certainly the financial contribution from Ontario, in comparison with that of other provinces, is not being considered. Is that fair? Further on in his statement, the minister is reported as saying:

> The fact that the condition due to drought in the west constitutes a national emergency was agreed to by all parties is apparently forgotten.

It has not been forgotten.

While there is a national emergency with respect to unemployment, as a result of drought in the west, there is undoubtedly a national emergency in connection with indus-

trial unemployment in the east, largely due to the policy of this government in allowing a great increase in manufactured goods imported into Canada, and particularly the province of Ontario and the city of Toronto.

The bureau of statistics shows that there has been a large increase in imports. The following are the figures showing imports through the port of Toronto:

	1935	1936	1937
October. ..	$10,408,503	$11,864,600	$14,295,819
November .	9,935,756	12,169,109	13,506,105
December .	7,895,955	9,995,590	10,219,275

The following figures will show the increase in the importations of automobiles into Canada:

	1935	1936	1937
October.	88,187	649,450	1,078,893
November. ..	170,711	661,216	1,398,751
December. ..	114,341	764,783	1,176,585

I do not wish to take time to quote the many other examples of increased importations which are due to the lowering of tariffs. In 1936, one automobile manufacturer ordered $100,000 in parts from a parts manufacturer; in 1937 the order was reduced to 60,000, and in 1938 there are no orders.

I believe this industry gives a fair example. The balance of trade has changed. In the twelve months ended December 31, 1936, we had a favourable trade balance of $57,051,952. In 1937, it had dropped to $44,876,419, and on January 31, 1938, it had reversed to an adverse balance of $20,135,836. Is this a repetition of 1929?

If it were not for these circumstances, by now we would not have employable unemployed. I cannot, nor can any other fair-minded person agree with the burden placed upon Ontario, simply because of its financial position. Because it is in a better financial position than some other provinces, why should Ontario have to assume the financial responsibilities of the federal government with respect to employable unemployed? I refer particularly to the employable unemployed. Why should Saskatchewan receive one hundred per cent relief, when, simply because they are in a better financial position, other provinces in Canada are asked to assume some of the burden? Is this absolute impartiality?

How does the minister reconcile his statement:

> The government has since then proceeded on the principle of allocating fairly among the provinces the amount authorized by parliament. The government has no blank cheque.

If this is not a blank cheque, then I should like to know what a blank cheque is. The government makes a decision, then writes in the name of the province for which, in its own arbitrary discretion, it would most like to write a cheque. What a funny kind of absolute impartiality! That kind of fun is no joke for either Ontario or Toronto. Perhaps it is intended to be a left-handed compliment.

What influences have been brought to bear on the government by the recipients? Is it the solid block from western Canada supporting the government which has twisted the government's mind in this matter? Speeches delivered earlier this session cannot but have left a lasting impression on our minds in this respect. I should like to know how the word "fairly" is defined, because I cannot reconcile any dictionary interpretation I have ever seen with the practice of the government.

I want to make it abundantly clear that I have no quarrel with Saskatchewan or with any other province over the amounts of grants they have received or are about to receive, but I want to make it clear that the only basis on which the $19,500,000 voted last session for relief purposes can be fairly, equitably and with absolute impartiality allocated is on the basis of employable unemployed. It is a question not of financial position or contribution, but simply one of employable unemployment. The minister has said that these payments are to be made by all Canadians, and has also said:

> The dominion government is not and never has been responsible for meeting social need as distinct from emergency employment need. The British North America Act gives the provincial governments the primary obligation for meeting this social distress.

This is admitted, and I do not see that there is any quarrel in this respect.

The figures of the national employment commission with respect to Ontario show that the unemployables amounted to thirty per cent of the total employed in the month of September. There has been a large increase in unemployment in the last few months, and consequently there are less than twenty per cent unemployable now in Ontario. The figure for Toronto is less than ten per cent. These figures are based on those issued by the national employment commission, and must be admitted.

We find that $7,194,954 was expended for relief purposes in Toronto in the calendar year 1937. The figures show that as there were ten per cent unemployable in Toronto, that city and Ontario combined should contribute only $719,495 for Toronto, whereas Toronto contributed $3,279,346 in 1937. To a very large extent, by way of taxes on its citizens, it also contributed to the relief of other provinces. The province of Ontario, also, contributed. Is this absolute impartiality?

The fiscal policy of the government—not Toronto, or Ontario—is responsible for unemployment. The policy of the government in reducing tariffs on manufactured articles, and in the non-application of the valuation of articles entering the country for duty purposes, has been responsible for a tremendous influx of manufactured goods, and also for the entry of large quantities of goods which have been dumped into Canada, on account of the drop in prices in the United States.

Every time a manufactured article, the like of which is produced in Canada, enters and is sold in Canada, it takes the amount of labour required to produce it away from the citizens of Canada, Ontario and Toronto. If labour is taken away from the workmen of this province, it must take employment from our workmen. This means more unemployment. If the government insists upon allowing this entry of manufactured articles into the country, it is responsible for the resultant increase in unemployment. The city of Toronto depends on industry, on industrial employment, for the welfare of its workers. Therefore, if the workers of Toronto are unemployed, it is the responsibility of the federal governmest to see that they are adequately maintained.

Canadian manufacturers have told the government that if they had the advantage of their own markets they could employ thousands more workers, without increasing prices, and that they could, in fact, reduce costs and improve continuity of employment. They have also informed the government that further reduction of tariffs will increase unemployment and lower wages. If sections of the country are to have lower tariffs, people in the east will have to have compensation.

The city of Toronto is unable to collect sufficient money by taxes. Properties are assessed too highly and taxes are too great. The position is becoming such that instead of property being an asset, it is becoming a liability. Government bonds give almost as great a net yield on the capital invested; and there is no incentive on the part of individuals to risk their capital. As a consequence, building is at a low ebb. The slum situation is serious. Fine, large buildings have been torn down to save taxes, with a consequent loss of revenue to the city. Toronto is not the only municipality that is in the same position. What a deplorable state of affairs!

The proposal of the government again to lower the tariff on articles imported into Canada from the United States through a revision of the Canada-United States trade agreement, the prospect of having these items bound for a period of years and the general uncertainty in this respect have had the effect of slowing up the manufacturing industries of Ontario ever since the first rumours became prevalent in September or October of 1937. It is ridiculous to think that manufacturers with millions in capital involved, entrusted by thousands of shareholders and having payrolls of millions for thousands of workers, should be unable to gather one iota of information with respect to the contemplated changes in tariffs affecting them. These items may be bound for years.

How can a wise manufacturer make plans for the running of his plant during 1938 when all these rumours are abroad? If he has been considering extensions to his operations which would benefit his workers, he certainly would not act under conditions as they are to-day. It is common knowledge that those in charge of industry are not acting—they cannot. This is also true: They should be able to act. But the policy of this government has tied their hands. What about 1939, 1940 and 1941? They should be able to plan for the future. And is this all?

What security is there for the workman in these circumstances? Can he give his best to his employer when he is constantly under this apprehension? Is he working for the future? When can he hope to have his new home? When can he hope to have his old one paid for? How can he hope to improve his standard of living beyond that of a mere day to day existence? How can he budget for the future? How can he save? What can he hope of the future? No wonder there is apathy when it originates here. What are all these rumours about? They are about the contemplated revision of a trade agreement.

We are to give something away in return for what? Trade with one of the most unstable nations of the world commercially, a nation with large inventories, a nation with more than ten million workers unemployed at the present time, a nation with its own house in great disorder economically. I ask you: What stability commercially can we expect from such instability? We do not want periods of great prosperity followed by periods of severe depression. We would do better if we stuck to our knitting and minded our own business. Are we trying to bargain with them to take something they do not want, or is it something that they must have and for which we do not have to bargain?

Mr. HANSON: Mr. Speaker, I rise to a point of order. I have sat in this house since 1930; my English is poor and my grammar is terrible, but when I have tried to read a

speech I have always been called to order. I notice that in this eighteenth parliament any hon. member can rise in his place and read his speech for forty minutes. I should like to have the privilege of preparing a speech and reading it in the house, and I ask for a ruling on this.

Mr. SPEAKER: Does the right hon. gentleman desire to speak on the point of order?

Mr. BENNETT: I have just this observation to make. We had a discussion the other day about amending the rules of the house and on that occasion an admirable speech was read.

Mr. SPEAKER: The rule is that speeches shall not be read, but it has not always been observed. Hon. members do read speeches even though it is against the rule.

Mr. BENNETT: He can use notes.

Mr. SPEAKER: An hon. member may refer to his notes.

Mr. HANSON: If that is to be the practice, I should like to have the same privilege.

Mr. ROSS (St. Paul's): Is it something that they must have from us to compete with us in our own markets? Let us sell them the goods they need; let us not try to build up an artificial relationship. That is a quack remedy. We are a nation. We built our own plant, our own canals, our own railways, and are now building our own airways along national lines. We must use these nationally. We began by building our prosperity on national lines, and history shows that every time we got away from our own national economy we had a depression. We have been grasping for artificial foreign trade.

This government has adopted a laissez-faire policy with respect to the west and has scrapped the constructive policy of the former government. The first step was in connection with the wheat board. The wheat economy of the west has failed and it will fail again. The west must have a change. It will never be continuously prosperous until industries are established. The west has the assets most needed for manufacturing. It has oil, coal and gas in abundance, and there is plenty of labour available. Protection is necessary for the development of industries. The west is dependent upon the east for its support; the east must help the west. In the meantime, the east must have adequate protection and, if necessary, the west will have to be compensated.

We are one of a commonwealth of nations. From 1932 until October, 1937, we progressed steadily in prosperity as a result of our empire relationships. We are a nation of the commonwealth of nations. Let us have protection that protects nationally and within the commonwealth of nations, mutual protection that is mutually satisfactory. We are bound together by ties that are stronger than trade, but that are helped by trade—sentiment and mutual defence and common laws. This is not the case as between ourselves and the United States. No such ties exist.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

JURISDICTION OF RAILWAY COMMISSION OVER TELEPHONE TOLLS AND SERVICES

Mr. WILFRID LACROIX (Quebec-Montmorency) moved the second reading of Bill No. 14, to amend the Railway Act (telephone tolls).

He said: During the session of 1937 I had the privilege of introducing a bill to amend the Railway Act, the purport of which was to extend and clarify the jurisdiction of the board of railway commissioners with regard to telephone companies. The bill went through the first and second readings, and was then referred, according to the rules, to the railway committee, where it was defeated on a division taken at my own request.

Since the prorogation of parliament I have received so many communications asking me to follow up the measure, and have gathered such useful data, that I could not lose heart. I know that where trusts are concerned one must fight every inch of the way. When people are acquainted with the actual conditions, the Bell Telephone Company will have to make concessions. We are dealing with a public utility. Every telephone subscriber is entitled to fair treatment. In the present case did the trust ever think of anything but collecting revenues?

In Loretteville, nine miles from Quebec, there are many subscribers who have to call Quebec once, twice or even several times a day. Is it fair to charge them each time for a long distance call? It might have been reasonable when the telephone was first established in Quebec, but surely not now. It seems as though the company did not know or did not wish to know that our town, like Montreal, Three Rivers and other towns in our province, had considerably increased. Important centres have sprung up a few miles away, and conditions are not what they were

years ago. However, the Bell Telephone Company insists on maintaining the same limits as they established when first they started to operate in our community. In certain spots the area of local calls barely covers the town. We are asking the company not to court bankruptcy, but to arrange the service according to present needs. We want the company to extend their local rates in a more reasonable way, and more particularly, to include in that local district the small surrounding farming and industrial communities.

The case was submitted to and heard by the board of railway commissioners in January, 1937, but that did not alter the situation. The commissioners arrived at the conclusion that the "establishment, the splitting up or readjustment of telephone exchanges were matters of internal economy for the company with which the board could not properly interfere." However, Mr. Garceau, a member of the board, while concurring in the decision, submitted that the board had a right to interfere when there was clear evidence that unreasonable or unfair rates were charged on account of such splitting up or readjustment.

Seeing that the board disagreed, there was only one way left, and that was to amend the Railway Act as regards the telephone rates. At the very beginning of the 1937 session I introduced the bill in order to give the board of railway commissioners the necessary powers. The bill seemed at first to be welcome, but unfortunately it did not meet with the support we hoped for. That was perhaps to be expected; but I did not give up the struggle, and I have come back with the bill.

Quebec is not the only city which is suffering from the treatment meted out by the telephone trust. Montreal is in exactly the same position. A great number of subscribers in the outskirts of the metropolis never could see why they had to pay long distance rates to call Montreal when the company was piling up profits. When the case was heard before the board of railway commissioners the representatives of the company stated, "The expenditures that you want to force upon us are too heavy, and our company is not able to bear them." They talk about expenditures, but we are dealing now with decreasing profits. Let us see whether the company is unable to make a very small sacrifice for the benefit of its subscribers in the outskirts of large cities.

I have before me the financial statement of the Bell Telephone Company for 1936. It shows that the net profits amounted to $8,929,000 and that business was improving throughout the country. But that is not enough to enable one to grasp actual conditions. As I have already said, I suggest that part of what might be called "operating expenses" is handed out to the Northern Electric, a subsidiary of the Bell Telephone Company, including but very few shareholders. They hide their profits; they dare not distribute them to the Bell Telephone Company and its shareholders. It is a manoeuvre to hide actual dividends from the public, and the people are thus prevented from sharing in the profits piled up by the company. That is a social injustice, but it is the way the trust is acting.

"Labor" of Washington, on December 29, 1936, gave out some interesting details about the company's unjustifiable methods. The Federal Board of Transportation, it says, investigated the Bell company and another manufacturing company which is one of the latter's subsidiaries, the Western Electric Company. The investigators found that about $500,000,000 of the Bell company's equipment value was sheer "water." Cyrus G. Hill, chief engineer of the board, explained how the American Telephone and Telegraph Company made enormous profits. The Bell company, Mr. Hill stated, purchases ninety-two per cent of its equipment from the Western Electric, thus precluding any competition and enabling the Western Electric to charge whatever prices they want. The money is simply transferred from one to another of the company's coffers.

In the same article something is said about the appliance commonly called the French telephone. As a result of additional charges the company made a further profit of $24,000,000. The additional charges were levied on the ground that it entailed a further expenditure for the company. Such a claim is groundless, said Mr. Hill. As a matter of fact, the new telephones mean a great saving as they eliminate wire manufacturing costs and other expenditures, amounting to more than $85,000,000. Thus are things done in the United States.

The part played by the Western Electric Company, Incorporated, in its relations with the American Telephone and Telegraph Company, is similar to the part played in this country by the Northern Electric Company in connection with the Bell Telephone Company of Canada. I have before me a document which shows clearly how the Northern Electric is controlled by the Bell Telephone Company. I succeeded in obtaining the list of the Northern Electric Company's shareholders. Here it is—a very short one indeed. It shows that there are just two large share-

holders, the Bell Telephone Company of Canada and the Western Electric Company, Incorporated, the former with 456,540 shares, and the latter with 353,130 shares. The Western Electric is the very company referred to by investigator Hill in his report.

This is the list:

	Shares
Hon. Thos. Ahearn, P.C.	25
W. F. Angus	25
The Bell Telephone Company of Canada	456,640
E. S. Bloom	10
Hon. A. J. Brown, K.C.	25
R. H. Gregory	10
J. D. Hathaway	25
L. B. McFarlane	25
R. H. McMaster	25
C. F. Sise, Bell Telephone Co. of Canada	25
C. G. Stoll	10
Western Electric Company, Inc.	353,130
Grand total	809,975

The Bell company claims that the adjustmake anyone believe that it is not in a position to have its system adjusted to meet present needs, even though this should entail a very small decrease in its profits. Besides, we are not requesting at the present time anything from the company itself; we simply wish the board of railway commissioners to be empowered to approve or disapprove the limits and rates of exchanges, after which the board will arbitrate on the issue.

I feel confident that the board will not allow the continuance of the abnormal conditions about which subscribers living in the outskirts of Quebec city are complaining. The company will possibly claim that since my bill was brought down in the house, it has granted a yearly reduction of $25,000 in my constituency; but the principle of the matter at issue is in no way affected; for there are in my constituency various small industrial and farming communities, in continuous contact with Quebec, which are in need of easy telephone communication in order to sell their products as well as to purchase supplies in that city. This necessitates numerous calls every day, and even when they are unable to get the interested party on the line they must pay a toll for the useless call.

The Bell company claims that the adjustment suggested would mean too heavy an expenditure on its part. My reply will be that the Bell Telephone has never granted the public a single appreciable change in its rates.

I am now urging hon. members to help me in this matter, because, if we wish to stem the rising tide of communism in this country, the best way is to give the common people, those who wish to live and breathe freely under our fair Canadian sun, the means of providing for their wants, and to afford also to our Canadian people the utilities to which they are rightly entitled.

Hon. C. D. HOWE (Minister of Transport): The bill introduced by the hon. member for Quebec-Montmorency (Mr. Lacroix) follows along the general line of a bill introduced by him last session. While I did not disagree with the principle of the bill which my hon. friend introduced at the last session, I thought it necessary to oppose its passage by reason of the fact that by its wording it would have had the effect of making the board of railway commissioners into a rate-creating commission whereas their proper function is that of a rate-regulating commission. In the present bill that wording has been corrected; therefore I find myself in entire agreement with this bill.

We must all recognize that the Bell Telephone Company has a monopoly of a great public service in the districts in which it operates, and it is entirely sound government to provide that a public service monopoly shall be regulated as completely as possible. If, as appears from the Loretteville case, the board has not ample power to pass on tolls for zones outside a city area, I congratulate my hon. friend upon introducing a bill which definitely gives the board that power.

However, in accepting this bill, I cannot agree with all that the hon. member has said about our telephone monopoly. I think it is important to the people of Canada that the telephone business be a monopoly. If, for example, in the city of Quebec there were two competing telephone companies, this would mean that every business house would have to subscribe to both services, and every householder who happened to be on one company's system would be handicapped if he did not have access to the subscribers of the other company. Therefore we may say that the telephone business is a natural monopoly, and that it is better for the population served by telephone that this should be so. However, the Bell Telephone Company, having a monopoly, must conduct its business with extreme care to see to it that no injustice is done to any group of its subscribers. I believe the Bell Telephone Company is exercising care to see that no class of subscribers should have a particular complaint as against other classes of subscribers. As my hon. friend has said, as a result of the Loretteville case, even though the board had no jurisdiction to make a ruling the telephone company of its own volition has

adjusted the rates complained of more nearly in line with what the telephone subscribers demanded.

There are many curious features about the telephone business in general that need to be considered before we pass judgment on a particular situation. It is the only business of which I know where it does not follow that the profits are greater with an increasing amount of business at each centre. As a matter of fact it costs the Bell Telephone Company more to give service in a city where there are a hundred thousand instruments than it does in a city where there are fifty thousand instruments. The highest rates per telephone in Canada are in the largest cities of Canada, Toronto and Montreal. The reason for that, of course, is that every telephone in a large area has to be connected with every other telephone in that area, thus making necessary a most complicated, complex and expensive system of cables, automatic connectors and devices of that kind. The larger the telephone exchange, the more complicated are its processes and the more expensive its equipment.

That being the case, we find that whereas the resident of a large city may find it worth while to pay the price required for telephone service in that city, which will connect him with every other telephone subscriber in the city, a man living outside the city whose business and connections are not principally in the city may require a different kind of service. An example of that can be found in the city of Ottawa. In the old days the Ottawa exchange served only the city of Ottawa proper, and toll charges had to be paid on calls to Rockcliffe and Eastview. However, with the steady growth of these connections we have the Ottawa exchange now serving Ottawa, Hull, Rockcliffe, Eastview and Westboro, all within the exchange and all given service at a flat rate.

Mr. MacNICOL: If a subscriber in Ottawa wishes to telephone to a subscriber in Hull, does he have to pay a toll?

Mr. HOWE: No; they are served by the same exchange. But the cost of a business telephone in Ottawa is $5.50 per month, and the cost of a residence telephone is $3.10 per month. Now we come to the town of Aylmer, which is not a part of the Ottawa exchange and where it is necessary to pay a toll in order to talk to Ottawa.

Mr. MacNICOL: How much?

Mr. HOWE: Ten cents per call. But the prices of telephones in Aylmer are, of course, very much less than in Ottawa. For instance, a business telephone in Aylmer costs $2.50 per month, or about half the cost of a business telephone in Ottawa, while a residence telephone in Aylmer costs $2.05 per month. It is very probable that many residents of Aylmer find it much better to have a telephone service at a lower price, which they can use within the Aylmer zone, than to pay the higher price which would be entailed by a connection with Ottawa. There may be others who require to make frequent calls to Ottawa, and who might find it better to be connected directly with the Ottawa exchange. But the effect of the telephone company would be twofold if all the telephones in the Aylmer zone, let us say, were connected with the Ottawa exchange. There would be a tendency to increase the cost of all telephones in Ottawa, and a certain result would be that the people of Aylmer would find it necessary to pay the Ottawa rate, probably plus a mileage charge which usually goes on a telephone when the connection is over two miles from the exchange.

I am simply pointing this out to show that there is some background of equity in the theory of zones outside cities. I am quite aware that zoning is not popular with some of the people who live outside the cities. For instance, a business house located outside the free zone of the telephone exchange may have the great bulk of its business in the city, and may find that city telephone calls are rather expensive. On the other hand, I venture to say that in its zone there are private citizens who have telephones, that could not afford telephones at the rates charged in the city. So sometimes we are apt to overemphasize the viewpoint of the business man living outside an exchange zone as against that of an ordinary resident living in the same vicinity, who wishes to have a telephone at a reasonable price in order that he may talk with his neighbours and occasionally telephone to the city.

I may say that the telephone company is experimenting with new plans for handling zones adjacent to large cities. I think in some of the areas close to Toronto a plan is being instituted whereby a rate is being given which will allow a certain number of free calls per month into the city. I think the arrangement is one hundred free calls plus five cents a call in excess of the free limit. I understand that this plan is being tried as an experiment, to see whether the people are better or less pleased as a result.

Mr. MacNICOL: Is the minister referring to the new orders of the telephone company in connection with telephone charges between Toronto and Weston?

Mr. HOWE: Yes; that is the thought I have in mind. I may say that I have made no particular study of this situation; I have drawn on what I have learned of the telephone business generally during the past few years. I had that particular case drawn to my attention because someone was discussing it a short time ago, but I am not attempting to lay down any doctrine of telephone engineering. Since the hon. member for Quebec-Montmorency has made rather a serious attack on the telephone company, however, I just wish to point out that there is a basis of reason in the attitude of the company, and that possibly while some business people in a zoned area find their telephones more expensive because they are in that area, there are many ordinary residence telephones which enjoy lower rates due to the fact that they are located in the zone rather than connected with the main exchange.

I think that on the whole, in giving Canada an efficient telephone service at reasonable cost, the Bell Telephone Company is doing a good job. We find that it is a progressive company. Recently in the city of Ottawa it has changed over from manually operated to automatic phones, and in all parts of Canada we find it constantly improving its technique. Some time ago a new process developed which multiplied by four the number of messages the company is able to send over a single wire. Automatically and very quickly thereafter long distance tolls were reduced.

The close connection between the Bell Telephone Company and the Northern Electric Company has been referred to. I think neither company would attempt for a moment to disguise the fact that the Northern Electric Company is a subsidiary of the Bell Telephone Company. I see nothing improper in that relationship. The telephone company uses about ninety per cent of the telephone and other equipment manufactured by the Northern Electric Company. The close association between the two companies permits the telephone company to buy its equipment at or near manufacturing costs, and the close connection between the Northern Electric Company and the Western Electric Company, which manufactures for the American telephone company, allows an interchange of patents and a general collaboration in connection with inventive work.

I believe that in a discussion of the operation of a highly specialized business, such as the telephone business, where the public benefits from the fact that one company controls all telephones, the operating company should not be condemned solely because it is a monopoly. But I believe that it becomes the duty of the state to apply every legitimate form of regulation to the company, and to take full power to review its rate making, in every particular. For that reason I believe the bill is desirable, and I therefore suggest that the bill be given second reading, and referred to the committee of the whole house.

Mr. CHURCH: In attempting to clarify the present jurisdiction of the Board of Railway Commissioners for Canada, does not the present bill in effect overrule the decision of the board in the case of Quebec-Montmorency Chamber of Commerce v. Bell Telephone Company? In attempting to clarify the jurisdiction of the board, does not the proposed bill, ipso facto, overrule the board?

Mr. HOWE: I would hardly think that is so. I am not very familiar with the Loretteville case, but my understanding is that the board were asked to give a ruling on a matter having to do with rate charges in a zone outside the city of Quebec. I believe the board stated that its jurisdiction under the act did not extend to the type of decision it was then asked to make. The bill purports simply to enlarge the act under which the board operates, and to make it clear that the board has jurisdiction as set out in the act. The position will be that if the board goes back to Loretteville it may consider the case, as it will have ample authority to consider the case to which it felt formerly that its jurisdiction did not extend.

Mr. MacNICOL: Before the minister takes his seat, may I ask him if, before the Bell Telephone Company was committed to issue the new tolls for services between Toronto and Weston, those new tolls and service charges were reviewed by the government, through the board which has control over the Bell Telephone Company?

Mr. HOWE: In a discussion of the matter with Mr. Campbell, the rate authority of the railway board, he mentioned that the proposal had been brought before him, and that he was now studying it. I believe I can tell the hon. member for Davenport (Mr. MacNicol) that before those tolls are put into force they will be reviewed by the board of railway commissioners. I think it is quite possible that a public hearing will be held at which representations can be made.

Mr. T. A. THOMPSON (Lanark): Mr. Speaker, may I call the minister's attention to what I have always considered an injustice in connection with rural telephone lines connected with the Bell Telephone Company. The Bell Telephone Company charge to the rural company the long distance calls originating from rural lines. They send their bills in

monthly, for payment. On the other hand, the rural company may collect at intervals of six months or possibly only once a year. Yet they have to pay every month for long distance calls originating on their lines, and they get nothing for doing this. There is no fee collected by rural lines for long distance calls originating on those lines, where there is connection with the Bell Telephone Company. For many years I have been associated with one of the largest rural telephone companies in this section of the country, and we simply collect money for the Bell Telephone Company. If one of our customers defaults, it is our misfortune, because we have already paid his long distance fees.

I have in mind a farmer who at one time was president of a farm organization and did considerable telephoning to Toronto. Afterwards he failed, and we were left not only with our own telephone bill, but with a large long distance bill which we had already paid, but on which we could not collect. Every year in connection with rural lines we lose a certain amount of money which we have paid over to the Bell Telephone Company on calls originating on our lines. We have to look to the farmer for our money, and if he does not pay we are out that much. I have always felt that the Bell Telephone Company should allow some fee for long distance work originating on rural lines.

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

On section 1—Telephone companies.

Mr. NEILL: Should not this bill have gone to the railway committee?

Mr. HOWE: It is now being more or less piloted by the government. A similar bill was considered thoroughly in the railway committee last year and they seemed to be for it. I see no reason why it should not pass to-night.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

JAPANESE IMMIGRATION

APPLICATION OF PROVISIONS OF CHINESE IMMIGRATION ACT, REVISED STATUTES, 1927, CHAPTER 95

The house resumed from Friday, February 18, consideration of the motion of Mr. Neill for the second reading of Bill No. 11, respecting Japanese immigration.

[Mr. Thompson.]

Mr. D. A. McNIVEN (Regina City): Mr. Speaker, I should like to extend my personal congratulations to the hon. member for Comox-Alberni (Mr. Neill) upon the presentation of his motion for the second reading of this bill. This was a task which he accomplished with his usual thoroughness and logic. I regret exceedingly my inability to support the measure so ably sponsored by the hon. member, as this question is regarded by all members from British Columbia as being of paramount importance to that province. I would not for one moment discount the local problem which this bill is designed to correct, but its provisions are much wider than that; they may assume national, if not international, proportions.

The world situation is so complicated and complex to-day that we should hesitate before taking any action, the consequences of which we are unable to foresee and against which we may or may not be able to protect ourselves at this time. The question of oriental immigration has always been important on the Pacific coast, and this problem is reflected in all the provinces to a greater or lesser degree. We were told the other evening that in 1923 restrictions were imposed upon Chinese immigration. At that time the matter of Japanese immigration was left open or guarded by an agreement entered into between the Canadian and Japanese governments. I have no doubt that distinction was made because of the fact that during the world war Japan was a member of the allied forces, and her fleet protected the Pacific coast and was responsible for keeping away from our shores the German raiders which had created a certain amount of havoc in that part of the world and which were subsequently disposed of by the Australian navy.

We were also told the other evening that in years gone by there had been a certain laxity in immigration matters, and as a result many orientals, of both Chinese and Japanese origin, had entered this country without authority. We were told how in recent months action had been taken to examine into these illegal entries and that some nine hundred orientals had left the country because they knew that they would be deported in any event in a short time, while another six hundred had actually been deported. As an instance of the long arm of the law I should like to cite a case in Regina. Some time in August, 1937, an oriental was arrested in that city charged with having entered

Canada illegally. Although he had been conducting a market gardening business in Regina for a period of seven years, he could give no satisfactory account as to how he came into the country. He was given a hearing before a board which sat in Vancouver; but being unable to satisfy the board that he had entered legally, he was put on board a ship and sent back to the place whence he came.

The other evening the Prime Minister (Mr. Mackenzie King) mentioned that while it might be considered all right for hon. members to express opinions which might be regarded as the opinions of members only, it was a different matter when parliament spoke—that would be regarded as one nation speaking to another.

SUPPLY

UNEMPLOYMENT RELIEF—STATEMENT BY MR. ROSS (ST. PAUL'S) ON MOTION OF MINISTER OF FINANCE

The house resumed consideration of the motion of Mr. Dunning for committee of supply.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, before the recess I had mentioned that we were one of a commonwealth of nations; that we were bound together by ties which were stronger than trade but which were helped by trade—sentiment, mutual defence and common laws. Trade treaties between governments foreign to each other are likely to press with severity on one side or the other. You take a treaty as it were for better or for worse, like marriage, and for those who deem it for worse, it feels like a yoke all the time. Do not let us forget that divorce is difficult. Do not let us bind any more items under the Canada-United States trade agreement.

Earlier in my remarks I mentioned the balance of trade, referring to the trade balance between Canada and the United States. I maintain that the action of this government in departing from our national and empire policy is responsible for the unemployment situation which obtains to-day, and the prospect of a further increase in unemployment is staring us in the face. Employable unemployment is the responsibility of this government. The money must be found, but I object to the policy of this government in balancing its budget at the expense of my constituents in St. Paul's or of the people of the city of Toronto and the province of Ontario.

Mr. J. H. HARRIS (Danforth): My constituents also have a grievance; it is much the same as the one which has been so ably expounded to-day by the hon. member for St. Paul's (Mr. Ross). By wire, by letter, and finally by long distance call I was summoned home to my constituency to attend at the city hall, Toronto, and discuss, first, with their elected representatives, the mayor and members of the board of control, a matter of great moment to them. They felt that they could not strike on the one billion dollars of assessment in that great city an equitable tax rate which would permit it to grow and prosper as it should, the reason being that the cost of direct relief and of social services has grown by leaps and bounds, causing an increase in the necessary mill rate, whilst the assessment in each of the last five years has been shrinking, with the net result that they cannot derive enough money from their taxation system to meet the relief moneys for about ten per cent of their population, or some 70,000 people, who find themselves on relief.

About two years ago we had an election in this country, and I have a vivid recollection that my hon. friends opposite allowed their supporters to put labels here, there and yon on the bill-boards, "Elect us and we will give you some action." The plea I make to-night to the Minister of Labour (Mr. Rogers) and to the cabinet generally will be along the line of asking for some of that "action." I shall first recite as briefly as possible the position in which the city of Toronto, and particularly my constituents in the Danforth riding, now find themselves.

Following our meeting on February 19, the mayors of the province of Ontario met at Toronto on February 23. They passed a resolution. I admit at once that it was in very strong terms; let me say in the same sentence that I think it needed to be in strong terms if we were to get what hon. members opposite discussed so much in the last election, namely action. The important part of this resolution, as I see it, is the last part, but I shall first read the preamble, as follows:

> Protesting against refusal of the dominion government to increase relief grants in aid of the province, an emergency meeting of the Ontario Mayors' Association was held this day.

The resolution, adopted after considerable debate over how strong it should be, read as follows:

> Be it resolved that this association of mayors place itself on record as insisting that the federal government immediately revise the grants in aid to the province to equal at least forty per cent of relief expenditures in Ontario, failing the granting of which we notify you that—

And this is the important part.

—our ratepayers are taxed to the point of confiscation.

My constituency of Danforth is one of the greatest home-owning constituencies in Canada. The people there try to own their own homes, and in so doing, to my mind they make as desirable a class of citizen as one can have in any country. But when we find that these homes are going back to mortgage companies, and in some cases even reverting to the city itself, so that Toronto, as one year follows another, finds itself increasingly in the real estate and houseowning business through its citizens losing their equities in their homes, the situation becomes serious. I shall at once be told that relief is a matter for the municipalities and for the provinces. In an article which appeared in the Ottawa Journal on February 23 the Minister of Labour says, quite properly:

The dominion government is not, and has never been responsible for meeting social need as distinguished from emergency unemployment need.

In the tax structure of Toronto, examining the position of direct emergency unemployment relief, we find this situation. In 1933 the amount charged by the city to its taxpayers for the payment of direct emergency relief was only $12,239. The province permitted the municipalities to issue five-year serial debentures for the major portion of the cost of their direct relief. The following year interest on these debentures had to be met, with the result that the total cost to be included in the tax bills in 1934 rose to $656,467. Again debentures were issued, and again the interest on those debentures had to be provided for in the tax rate of the city, with the result that in 1935 the direct cost to the taxpayers doubled and approached $1,390,970. In 1936, when debentures were again issued, the amount required inclusive of interest and sinking fund charges for direct relief payments amounted to $2,381,191. The point is that we are pyramiding year by year the cost of direct relief. If, as I gather from the statements, perhaps the government would give some consideration to that portion of the relief cost which is not social services, which has not to do with the unemployables but represents direct relief to those unemployed and able to work, then I say the minister has a direct responsibility to meet the difficulty in which some 750,000 people in one great centre find themselves and the problem their representatives face in striking a tax rate for that city.

The reasons why I say it is necessary that something be done are obvious. Take building permits, for instance. Eight or nine years ago they amounted to $22,000,000. As a matter of fact, in 1931 the amount was still $22,000,000. Last year it dropped to $8,000,000. You will say at once that that has added $8,000,000 to the assessment; but as a matter of fact the grand total of the assessment in the city of Toronto shrank in the same year by $4,000,000, with the net result that that $8,000,000 was taken up, and together with the $4,000,000 we have a shrinkage of $12,000,000. In other words, the assessment is going down $1,000,000 a month, and while it is going down at that monthly rate the tax rate itself, which before the war was 18½ mills and two years ago was 31½ mills, last year was 34·85 mills. Unless this government takes some action to meet the direct relief situation before the tax rate is struck for this coming year, the tax rate will be one, two or three mills higher. It depends on how seriously this government takes the position in which it finds itself.

I am very much concerned about the people there who are losing their homes and are unable to pay their taxes. Speaking for the people of Toronto, I am greatly concerned that they as a city should be forced into the real estate business. Every time a quit claim deed is given the city of Toronto, it is common knowledge that the city loses those taxes, and, by thousands of feet of frontage, property is being vested in the name of the city of Toronto and they are losing possible tax revenue therefrom. At the same time I cannot remember any year during which so many buildings, many of them really good buildings, were torn down, for no other reason than the fact that people could not pay the taxes on the assessed value of those buildings. True, they make parking spaces and so on; but is it good economy to tear down really good buildings? Slum clearance? Yes. But are you going to make more slums at the same time by forcing the tax rate so high that those who have equities in their homes cannot maintain those homes and keep them in repair? As fast as you clear away slums you create more and more slums, because owners with their equities are unable to keep their homes in repair.

I do not want to be destructive in what I have to say with reference to this matter. I believe that something real could be done, and I say this to the cabinet as a whole, with that tremendous majority behind them: You went to the country with a policy of action and here and now I say to you, Put a strong man in charge of this problem of able-bodied men not being able to find work, and clothe that man with the responsibility of going to industries of every kind. He will find at the

head of our industries men with hearts and souls, anxious to help their country. He will find them a little nervous of a strong man sent by this government if he asks these people, "Why are you not employing as many men as you did in 1929? What are you doing to help your country, to keep men at work?"

Let me divide the problem into two categories and get down to the theme of my thought, namely, the secondary industries. It is quite true that since 1929 in the primary industries the number employed have increased from 80,000 to 100,000 odd. I am glad to see that increase. But the secondary industries take ten men for every one who is in the primary industries. We had a million men and women working in the secondary industries in 1929, and we have seen that figure shrink until to-day it is only 920,000. The government will say that during the last two years there has been some improvement here and there. Yes; I grant that; but there has not been enough improvement to take care of that ten per cent of our population who are able to work, that ten per cent of cost which is destroying the tax structure of municipalities like Toronto by absorbing relief costs to the extent, last year for instance, of $2,000,000—and it seems to be doubling every year.

How is this improvement going to be brought about? It would take a superman, I admit, to do this overnight. I admit at once it cannot be done overnight. I will say this, however, that if a Minister of Labour could sit at the head of a table with the different groups of men comprising the secondary industries and particularly the manufacturing industries, which employ half a million of our people in Canada, he could tell those who have fallen down on the job two or three things which they should do on behalf of their fellow-citizens. And what are those things? He could say to them, "Study your payroll. Don't consider your employees as a commodity, as raw material; don't sit back and simply ask for efficiency from your submanagers; but remember that these men who work for you have hearts and souls, have wives and families who have to be looked after. Spread work out among your employees; see to it that every possible bit of work is given to your employees, and forget during this time of stress and strain in Canada that yearly dividend or yearly balance sheet with its big profit."

That same strong man, whom this government has the power to put at the head of affairs so far as this particular problem is concerned, could study the balance sheets which were referred to a moment ago—the balance sheet of the Bell Telephone Company for example. What did the hon. gentleman say? Eight millions of profit in the Bell Telephone Company. Why did he not go further and say that 16,000 employees have been laid off by the telephone companies in the last few years? Why do not utilities of that kind put some heart and soul into their operations? They would do it if a strong man sat at a conference table and told them that if they did not do it, drastic action would be taken.

These men in industry are God-fearing men as a whole, decent fine citizens, 99$\frac{9}{10}$ per cent of them. It is my privilege to know a great number of them, and I have yet to find them resorting to sharp practice. I have yet to find them lacking in sympathy with their fellow men. They are worrying about the state of things, but they have no leadership. This government is not giving any leadership or bringing them together. True you have here a report, a preliminary one. You are going to have another report, and after that I suppose another. But we need action. This country needs action if we are going to get this extra ten per cent back to work. There is the iron and steel industry with a shrinkage of 35,000 employees. Get your iron and steel men around the table, say to them, "Fifty per cent of your men are working over forty-eight hours a week; can you not rearrange your working schedules to spread the work among more men and give those men a forty-eight hour week?" Some hon. member says forty-four hours; if the times are as bad as that I would say forty-four also. A total of 99,187 men are controlled by this industry, there are 35,895 fewer employed to-day than there were in 1929; yet twenty-five per cent of them are working over forty-eight hours a week.

Then there are the manufacturers of lumber. Get the heads of this industry together and ask them, "Why are you employing 8,339 fewer men than you were in 1929?" "Well, we do not have the business; what can we do about it?" Mr. Strong Man, Mr. Man of Action, and this government of action with an overwhelming majority, tell these lumber manufacturers that they are working 41,878 men over forty-eight hours a week, and some of them fifty-five hours a week. Ask them to rearrange their schedules and make work for ten per cent more men in their industry. Retail and wholesale trade, retail merchandise stores, large departmental stores—who in this government is exercising any control over what they are doing with their personnel? Who is exercising any control over the chartered banks of Canada, which are laying off men in the higher age brackets and hiring boys of eighteen

or twenty at half the price? What action is being taken; who is doing anything in that regard? Nothing of any real consequence is being done. We have reports, academic discussions; but if the Prime Minister of this country (Mr. Mackenzie King) and the cabinet which surrounds him would take definite, drastic action in regard to this problem, he would have the backing of this entire chamber, and as one year succeeds another we would have more nearly cleaned up this problem which is not only menacing the morale of our people, making unemployables out of employables, but also breaking down the tax structure of our municipalities and making it impossible for home owners to continue to own their own homes.

Just next door to the farm where I was born, within a mile from where I live, the R. H. McGregor school, which houses now some 2,000 pupils and which some thirty-five years ago housed three members of this hon. house and a leader of the opposition in the provincial legislature of Saskatchewan, four boys in that little red school house that in twenty years did not have an average population of twenty-four, now looks out on forty acres of land which has been taxed $7,000 a year or more. By the sale of the ground on which the school house stands, valued at some $40,000, and another piece valued at $54,000, a total of $94,000 of taxable value has been paid back to the municipality in taxes. A most desirable piece of property on the outskirts of the city of Toronto, has been taxed at the rate of $7,000 a year, until the owner of that property could not pay any more taxes and to-day languishes in the mental hospital at Mimico, out of his mind, while on June 1 of this year the township of East York will take over forty-two acres of building land, and that struggling, broken-down, bankrupt municipality will find itself the owner of that much more real estate, knowing not what to do with it, losing the revenue of $7,000 a year from that particular property because construction is at a standstill in Toronto, as people buying homes would find themselves taxed out of those homes again, and therefore hesitate to start any construction program. Until the tax rate is brought down construction will not start.

The minister will admit, we all admit, that of all the industries which are suffering, the construction industry is probably suffering most. The shrinkage since 1929 is 25,000 mechanics. I appeal to the Minister of Labour (Mr. Rogers) to meet these mayors in conference and discuss with them calmly their difficulties, remembering that if we are to get back to any kind of prosperity we must make those homeowning and homeloving people contented, who are now so fast losing their equities. And, I pray the minister, do not counter some poor mayor by saying that these irresponsible threats are futile. I hope the government are not approaching the problem from that angle. We hope they approach it from the angle of conciliation and trying to find a remedy for this difficult situation in order to start again some real prosperity in this country. Action is what we need; action with the heads of all sorts of organizations who are willing to help, anxious to help, is the crying need of this country to-day. Give us that action; give us that leadership and you will get the support of all sections of the house.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I did not know that this discussion was coming up on a motion to go into supply, as my motion is number one for to-morrow. But I have no objection to the motion, although it anticipates mine of January 27. Since 1936 I have had this matter on the order paper. I was here all day yesterday and last week and the week before and the week before that, hoping to have my motion considered. It was the first motion handed in this session, but it is No. 7 on the order paper, and is up to be dealt with to-morrow. I had no notice of the present discussion.

As one of the representatives of the city of Toronto I have no hesitation in laying the case of that city before the government. I do not know whether the minister had notice of this question coming up or not, but I have brought to the attention of the house for the past four years, the problem of the condition of the real estate holder in Toronto burdened with relief. Among the larger municipalities, with populations over 40,000, you find that in every case the taxes levied on real estate amount to ninety-two to ninety-four per cent of all municipal revenue.

The hon. member who preceded me (Mr. Harris) has described the lot of the industrial worker to-day. Most hon. members are real estate owners; they are familiar with the unfortunate position of that form of investment. So bad is it that nobody wants to have any investment in real estate, if he can get a better investment. The tax on real estate to-day, Mr. Speaker, as perhaps you know, constitutes a rent in itself, as a result of Canada's overgovernment and overtaxation. The relief problem of the municipalities is directly both the cause and the effect of mistakes which we have made in taxation. There is practically no building of homes or resi-

dences going on in Toronto, the city from which I come; that kind of construction is practically at a standstill. I have before me the assessment report for the year, which shows that there is a great scarcity of homes. Now we have decreases in relief, decreased vouchers, decreased clothing allowances and so on, with increases in rent, as a result of the insane taxation policy of this country in allowing a triple income tax.

From confederation down to 1918 the income tax was exclusively within the domain of the municipalities, with the result that in Toronto they did not altogether depend upon real estate for revenue. Their income and business taxes, amounting to millions of dollars, enabled the larger cities and towns to go into social services, health services, hospitalization and so on, costing millions of dollars in Toronto, where they are doing good work for the people of the province as a whole. Our taxation principle seems to be the law of the jungle, the survival of the fittest. First, the dominion came along in 1918 and levied an income tax. I was a member of a deputation which came here to meet Sir Thomas White, Minister of Finance of that day, who told us that he did not like to impose that tax but that he hoped it would remain for only a few years, until after the war was over. It has remained ever since. The province imposed a duplicate tax, and as a result the burden on real estate is absolutely crushing.

Let me give the house the number of residences built last year, according to page 14 of the last report by Mr. Farley, the assessment commissioner. By wards the homes built were as follows:

Ward	No. of homes built
1	1
2	5
3	0
4	0
5	6
6	9
7	16
8	51
9	177

In other words, only 265 new homes were built last year, which is a direct result of putting taxes on real estate. Not only has this knocked the building trade to pieces; it has ruined all forms of building construction, with the result that these construction workers are losing their homes and are out of work. This state of affairs, of course, is not local to Toronto; it exists in all the cities and reacts on the municipal councils, who have not the proper funds with which to take care of those on relief. The people on relief are very largely industrial workers, who compose fifty-one per cent of the population of this country. Through no fault of their own they are being driven to the wall. Many of these families have been in Toronto for three generations after having come from the old land. They have never been out of work; they have never been on relief and have never known such a state of affairs before. The remedy for all this is to give us back our income tax and let us share the federal income tax.

I say the burden should be removed from real estate and shifted to those able to bear it. Yesterday we heard from the hon. member for Grey-Bruce (Miss Macphail) with regard to millionaires leaving the country. On page 13 of the report of the Ontario Associated Boards of Real Estate a table appears comparing the municipal taxation on $100,000 worth of real estate and the revenue on $100,000 put into four per cent bonds. The real estate taxation is figured on an average of 40 mills, which would amount to $4,000. What about the amount invested in bonds? Everyone is trying to get out of the real estate market and put their money into some other form of securities. The taxation derived from $100,000 in bonds totals only $105. In other words, the tax on the real estate amounts to 40 mills, while the tax on the bonds totals only 1·05 mills.

No commodity other than real estate pays taxes to all three governing bodies, the municipality, the province and the dominion. What other commodity pays to the municipality as much as four per cent of a capital charge? In addition to that, the income from that real estate is taxed by both the dominion and the province. This is a system which prevails nowhere in the world, so far as I know, with the exception of Canada and the United States. In the old land they have eliminated the inequalities. The city of Toronto has done its best. We have a brief here, as one hon. gentleman stated, from his worship the mayor of Toronto, showing the state of affairs, and at the meeting of mayors they said there would be a rebellion if it goes on much longer. I need not read what was said at that meeting; I am sure every hon. member has read it for himself. Some action will have to be taken.

Let me remind the house, however, that the city of Toronto has spent on relief a total of $17,765,452. Social services, care of outdoor patients and hospitalization account for another tremendous amount. In a comparatively few years over $8,000,000 has been spent in that way, and the annual expenditure has increased from 1920 until the present time. The amount spent on hospitals has increased each year. In 1922 it was $1,377,000. It rose steadily until in 1932 it was over

$5,000,000, and in 1937 over $6,000,000. There is a total expenditure of $51,576,000 shown in this report by the Department of Public Welfare of Toronto.

The minister replied to the representations made by the mayors, and no doubt that reply was made on behalf of the government. I doubt if it will appeal to the wisdom and judgment of members of the House of Commons. After all, what control have we, sitting in this house, over the affairs of the country when the executive take things into their own hands and say they are going to give only a small amount for Ontario relief? I am wondering whether or not this is a Christian country. To-morrow will be the first day of Lent, and I wish we would look into the suffering that is going on among the working classes of this country. I know hundreds of these families on relief, and I am not satisfied with all these commissions that have been appointed and the figures that have been handed out. It is true that they deal with many industries, but a great many of these people are only on part time. Very few of them have full time work, because very few industries are running at full time. I questioned the figures, and the reply of the minister seemed rather cold to come from a warm-hearted person such as he is. I have great respect for the minister, and I do not say it is altogether his fault. I believe it is the fault of parliament in not speaking out about these problems.

The reply was a very discouraging one for the men, women and children on relief throughout this country, and the members of the house will have to interpret that reply. Only the other day we were asked by the municipal council of Toronto to interpret it. We do not want communism or fascism in Canada. We do not want to live under a dictator, and lose our freedom. They may be worshipping false gods, but at least I will say this, that they are ready to spend their lives in the service of their people, as they see it. The municipalities cry out for bread for those on relief, and the government offers them a stone. The government's answer is that they do not care to answer the question, "Who is thy neighbour?" It is the first duty of the government to look after the health, peace, prosperity and contentment of its people. It was so in the day of the Greeks and Romans, and it is so to-day. There is no use refusing to give an answer to the requests of municipalities. When they ask for bread they are just given a stone—because that is all it is. The dominion wants to shunt the whole burden on to the municipalities.

[Mr. Church.]

The municipalities have no funds to buy these increased vouchers. Is the house going to say that the families of those poor men shall have no medical attention, shall have no medicine and no clothing; that their fuel allowance will be cut; that their houses shall be cold in weather like this; that they will have to look elsewhere for their vouchers—despite the increases in prices of food, rents and everything else? I say that this is an injustice to the municipalities that are crying out for relief, and asking adequate federal aid in the matter.

I say that if the party system is going to live, then it will have to deal with this problem immediately and give aid, or it will have a rude awakening in 1940. I believe in a two party system; I strongly support it. But I believe a two party system should be strong enough to solve these problems, and not make it necessary to leave them to socialism, and other isms, or permit other groups to come in in 1940 to solve the problem in a way the country might not like.

There are several members of the medical profession in the house. They have visited the homes of the people throughout the country, as have health officers, social welfare workers, district and neighbourhood investigators, surgeons and provincial and federal organizations. These people have visited the homes, and know the conditions under which some people are living. I hope the minister's reply will be reconsidered.

We now come to a consideration of the cost of effecting the necessary changes. Some years ago the government appointed an employment commission, headed by Mr. Purvis who, by subtracting and deducting, got the unemployment figure down to about 115,000. I know for a fact that his figures were not correct, and I do not believe they are correct to-day. In my view, if the commission had not been appointed and the House of Commons had kept the question of unemployment under its own control, or the control of the minister, the work would have been done much better.

The government descended on the municipalities, and took the income tax. Not satisfied with that, it passed bills by which it proposed to give the provinces direct as well as indirect taxation. If the government had its way and if this latter had gone through, every article of food and clothing would have an indirect tax on it from the provinces as well as the dominions. In view of these facts I say that the Minister of Finance (Mr. Dunning) should share the income tax with the municipalities, the way the provincial income

tax has been shared with them. Those taxes never belonged to the provinces or the dominion.

I have visited the homes of these people, and I know that the result of the present unfair, unjust system is that hundreds of municipalities are in a bad condition to-day. I see the hon. member for Skeena (Mr. Hanson) in his seat. May I say to him that I have before me reports from the great province of British Columbia, and I can show him where, from his province, east to the Atlantic seaboard, hundreds of municipalities are bankrupt to-day. They cannot pay their fixed or maintenance charges. The municipalities have not their income tax moneys, which formerly supplied them with funds to build municipal institutions, schools and hospitals, to improve their parks, and all that sort of thing. Since the income tax has been taken away, the municipal public works have been starving. They have no moneys to pay for direct relief work. In the federal program of relief works voted here there was no equality of treatment. There have been some relief works in the other provinces, of which Ontario got little or nothing, because favouritism was shown. Some municipalities got court houses—I have Three Rivers in mind. Something was done for Winnipeg, and in Montreal botanical gardens were constructed. I am not complaining about that, because apparently they had enough pull to get the money from the government. But I ask that there should be some equality of privilege shown in the same way to the municipalities of Ontario which got little or nothing.

Some time ago I pointed out what Italy is doing in matters of relief for her unemployed. She is building public works and municipal institutions of all kinds, sufficient for the next forty years. She is building schools, hospitals, court houses and public buildings of all kinds, to take care of relief works, with the result that unemployment in Italy is at a very low ebb.

Some years ago, supported by the hon. member for Winnipeg North Centre (Mr. Woodsworth), who is now leader of one of the groups in the house, I asked the government of that day if it was prepared to give a third of the cost of unemployment relief, in conjunction with municipal and provincial authorities. The then Minister of Labour, Mr. Heenan, replied, "The answer is No." He stated that unemployment relief, and matters respecting unemployment generally, and social services, under the British North America Act were matters for the municipalities and the provinces.

The government which has brought many of these people into the country, under the British North America Act has jurisdiction over trade and commerce and immigration. It has control of banks and banking, bills of exchange and notes. It has almost unlimited powers of taxation to solve its problems. The provinces, like the dominion, have made a raid on the municipalities and taken income and business taxes. They have taken away from the municipalities those moneys in order to balance the provincial budgets. The result is that they balance their budgets at the expense of the municipalities, but the cities and towns are in bad condition, and the condition of real estate is deplorable.

The result is that the outlook has been destroyed. The people are becoming, to a great extent, proletarian. In the early days in Canada every one owned property. Most industrial workers owned their own homes. Some of them had small stores or market gardens. They may have kept a cow, or a few cattle. We have been slow to see how the industrial workers have lost all that. To-day they do not own property, and to a great extent are becoming proletarian. Conditions are not as they were in the days of Macdonald and Laurier, which I described a moment ago. I do not know what will become of the people of Canada, if these conditions continue. The plight of the industrial workers is just as bad as that of the people in the prairie provinces who have suffered from drought, a people who have the admiration of all people in the dominion. I hope every help will be given them, but I must say at the same time that the plight of the industrial worker is just as bad, and he has had no help by federal legislation, like the farmers and fishermen. Fancy all that, in a land like Canada, which has plenty of food and clothing.

Mr. HANSON: May I ask a question?

Mr. CHURCH: Now the government seeks to evade its responsibility by appointing commissions and reading figures. Let me read a few figures, and point out that we shall never be able to give vouchers by reading trade reports or commission reports. The burden which is unloaded on the large cities and towns threatens the existence of municipal institutions in Canada.

Mr. HANSON: May I ask a question?

Mr. CHURCH: The government now gives grudgingly. Why do they not tell the people in Toronto: "We cannot give you an increase in relief; we cannot give you any food as we are not liable for it?" Why

do they not tell the people of Canada themselves? Why do they not tell the members of parliament to tell that to their constituents?

The workers to whom I referred a few minutes ago are getting along the best they can under the policy of the federal government. Men, women and children are suffering in this land of milk and honey. Are we going to hide behind useless commissions while all this is going on? I think it is the duty of the government to give some active aid to the municipalities as requested by the mayors. It will be remembered that two or three years ago an employment commission was set up which it was said would improve conditions. Well, it did not do it. We hear no end of praise of our natural resources, our farm lands and forests, yet we cannot find the money with which to make this a better country in which to live.

We need something like this to wake up the people of Canada to how things are going. Hon. members may remember the reference that was made at the sittings of the price spreads and mass buying committee and commission to the industrial workers and those on relief. The conditions of the people on relief were described by witnesses. We heard of people working in sweat shops for ten and twelve hours a day, and receiving $4, $5 and $6 per week. We heard of the conditions in some of the departmental stores. I am describing the awful conditions of workers out of work.

Mr. HANSON: The hon. member is wandering all over the place and criticizing this government for what they have not done. I ask him if he has any solution to offer or any concrete proposition to make to the government. He has referred to the member for Skeena, and I am proud to represent that constituency.

Mr. CHURCH: The hon. member for Skeena is very fond of rising in his place to ask irrelevant questions, but when I sit down he will have an opportunity to tell us how he stands for the electors of Skeena, Prince Rupert and other places who are on relief, and to propose a cure. He will have an opportunity to tell us what this government proposes to do about the matter.

Mr. HANSON: I should like to find a remedy.

Mr. CHURCH: The hon. member is very fond of complaining about people reading their speeches. This afternoon he objected to the hon. member for St. Paul's (Mr. Ross) reading his speech, but I would remind him that his right hon. leader read some pages about the League of Nations last session.

[Mr. Church.]

The hon. member for Skeena as a good government follower just sat in his place and said, "Me too." Where was the hon. gentleman the other evening when we heard about the condition of workers on the Pacific coast because of the Japanese? A red herring was drawn across the trail by the Prime Minister (Mr. Mackenzie King). The hon. member did not say one word. If he is willing to lick the boots of the Japanese, I, as a member of parliament, am not. I am going to fight for the industrial workers in British Columbia, and Ontario too, who are suffering because of lack of relief and on account of Japanese matters. I am ready to fight for the industrial workers in my own constituency, and I do not want to waste any more time on the hon. member. I have the floor, and I appeal to you, Mr. Speaker. Will the hon. member for Skeena first take the mote out of his eye in connection with Japanese employment, and then he can ask me to take the beam out of the eye of one who fights for those on relief. I propose to stand up for the industrial workers of this country.

Mr. HANSON: I would try to treat labour right.

Mr. CHURCH: You shifted our new deal legislation over to the law courts. I can remember the members of the opposition of those days smiling as they said that the privy council would give a decision against that legislation. They were ready to let the bills pass as they felt they would be upset by the privy council.

I did not know this matter was coming up to-night, and I have not had a chance to prepare myself. I want to refer to the reply made by the Minister of Labour to a statement made at the meeting of the Ontario mayors. I quote from the report of the statement of the minister:

> The grant to Ontario was fair and reasonable having regard to the reduction of relief and the financial position of the province, it declared.
>
> "No change will be made in the grants set out in the agreements now before the provincial governments," the statement said. "The grants will be paid to provinces under the terms of these agreements and not otherwise."

The responsibility for help and relief rests in the government. The province of Ontario contributed enough in income tax to pay the relief costs of all of Canada. There was collected from the municipalities of Ontario federally a total of $252,000,000 in income tax, and according to the statement of the Bank of Canada the cost of relief for all of Canada was only $212,000,000 for the same period. In other words, in that period this government

spent $40,000,000 less than what Ontario paid in income tax for the relief of the unemployed of the whole Dominion of Canada. As a remedy, the municipalities of Ontario should have part of this income tax. According to a report prepared by the mayor's office in Toronto the per capita cost for Ontario is less from the federal government than in other places. It has been said that Ontario is a solvent province, and that may be the reason for the action taken. It may be considered that Toronto is a solvent city as it owns all its public utilities which are operated at cost, and so it receives less per capita.

I believe the members on the government benches have an appreciation of the lot of these workers. Many of them own real estate, and they do not have to be told anything about what has happened. If a man owns real estate and has a tenant who is on relief, he gets no rent. The man on relief is getting only half what he should get, and the result is he can pay no rent. I see the hon. member for Parkdale (Mr. Spence) smiling. He knows all about this as he has some of these tenants. In conclusion, may I say that I hope the minister will see his way clear to revise this policy. He has until March 31 to do this, and I hope the government of the day will give some consideration to this matter.

I have figures for Toronto, for London and for Vancouver. The city of Winnipeg has got out a book the same as those published by other cities. I have before me a report by the assessment commissioner which shows a decrease in the amount of building.

I say in conclusion that I hope some attention will be given to this particular matter, because these people should not be allowed to starve. They are our own kith and kin; they are not wooden men, they are men of flesh and blood who have suffered and are suffering to-day as they have never suffered before, as a result of these horrible and un-Christian conditions.

Mr. DENTON MASSEY (Greenwood): The hon. member for St. Paul's (Mr. Ross) has introduced to-day a question which beyond a shadow of doubt is one of the most serious that the municipalities of this dominion are facing at this time. As a member representing one of the constituencies of Toronto, I feel it is incumbent upon me to speak, although briefly, on this question. I wish to dot every "i" and cross every "t" to which we have listened in the stentorian speech of the hon. member for Danforth (Mr. Harris). The hon. member for Broadview (Mr. Church), who followed, presented not only the immediate problem of Toronto but a problem that is also dominion-wide. I do not wish to repeat what these hon. gentlemen have said, or to deal statistically with the subject; but I think it is well worth while that every hon. member, whether he represents a rural or an urban constituency, should bear in mind that there is indeed a forgotten man in Canada, and that that man is the small home owner.

There is not a member of the house but has deep feelings in regard to those who have had to face the indignity and the burden of relief. We have discussed at length in this chamber the problems which arise as a result of the necessity of relief. On the other hand there has been relatively little discussion concerning the problem of the small home owner. Here is a man who by his own ability to earn and to save as he earns has contrived to purchase a small home; he has lived there perhaps for some little time and is endeavouring to pay off, bit by bit, the mortgage on that property. In recent years and even to-day he lives in jeopardy because, as a result of conditions beyond his control, his earnings have been less, his income has decreased, and he is barely able to meet the payments on his home and to pay his taxes as well. If he is out of a job for any length of time, the chances are that he is unable to make payments on his home or to ease the burden of taxation which falls upon him, and thus his ownership is challenged.

This question we are discussing is a question not only of relief, but of that which accompanies relief. It is, therefore, not a simple problem, but as the minister knows, is irreducibly tied up with the question of realty taxation. During the last session I had the privilege of introducing a resolution with regard to the subject of slum clearance and the building of low cost houses. I said, in part, as reported on page 742 of Hansard of last year:

> I will also say to the minister that the financing of housing schemes and slum clearance plans is not the great bugaboo; I think he will grant me that. There are two other far greater difficulties; the one, the system of realty taxation existing through this entire dominion; the other, the fact that under the British North America Act it is up to the provinces and the municipalities to institute action.
>
> Mr. Dunning: That is the greatest difficulty.
>
> Mr. Massey: I have said that. The greatest stumbling block in the way of ridding our cities of the scars that mar them, the greatest difficulty in the way of rehousing our rural population, is to be found, on the one hand, in the present system of realty taxation, and, on the other, in the restrictions placed upon this government by the British North America Act. If the national employment commission has

spent its money and its time only on the study of taxation and can bring any recommendations on this question that are attractive to provincial and municipal governments, then their work has been well worth while on that basis alone. We cannot expect extensive building, either under building societies or under the aegis of provincial or municipal governments, until our system of taxation is completely readjusted. I urge upon the government with all the earnestness of which I am capable that full and complete study be given to this phase of our national scheme of things.

In the last municipal election in Toronto there was proposed to the electors a by-law. In rejecting that by-law, the electors declared with no small degree of emphasis that under its terms they were not in favour of any housing and slum clearance plan. But it would be unfair if this interpretation alone were to be placed upon the result of that vote. After all, the municipal voter is a realty taxpayer, and as some one recently so well expressed it, to ask a realty taxpayer to vote for that by-law was like asking the Women's Christian Temperance Union to vote for more beer parlours. There has been placed upon the realty taxpayer, particularly in the last few years, an almost inconceivable burden, a burden which has steadily increased, and his fear was expressed by his vote at the municipal election which I have mentioned. I do not believe there was a single person who voted against that by-law but had in his heart the desire to see the slums of Toronto cleared away and some low cost housing plan instituted; but in fairness to his own family and in the face of his own direct responsibility to pay taxes et al, he could not see his way clear to vote upon himself a further burden when he could scarcely carry the burdens under which he already had to struggle. That, it seems to me, is the lesson which is taught us by that incident in Toronto, comparatively a few weeks ago.

I repeat that these questions of relief and realty taxation are interlocked in the present set-up. What is being done at the moment? What is suggested is to place a further burden upon the taxpayer of the municipality, the man who has a home and who perforce must pay taxes upon it. The demand is one which is beyond the pale of reason, for after all there is a limit beyond which we cannot go if we wish to maintain our homes. I stand here to-night to speak not only for the people whom I have the honour to represent and whom I am so proud to represent in this house, but for all realty taxpayers in all parts of the dominion who find unbearable the burden of taxation for relief and other purposes, of which I have spoken. It is of paramount importance to our dominion that our citizens maintain their homes. As I have already drawn to the attention of the house, we have neglected our housing—and neglected it, I feel, shamefully in many ways. We have forced many, who have not had the means to build or own their own homes, to live in places which are a disgrace to the community. We have done little or nothing to aid those compelled to live in such surroundings to live in better places. Very little interest has been taken in housing societies, housing centres and similar organizations which have been developed in Canada; now we are faced with a further step in the wrong direction, which places additional burdens upon those who find it an almost insuperable difficulty to maintain what they have.

In the speech from the throne we were told that the national employment commission had concluded its duties. Before the present government came into office, and during the election of 1935, we were told from coast to coast, from platforms, over the radio, in the press and other organs of publicity, that we should vote Liberal and get action. There is not the slightest doubt that over forty per cent of the people of Canada who voted, voted Liberal; but I ask you, Mr. Speaker, have they got action? The silence on the benches opposite confirms the suggested truth of my question. We have not got action.

Mr. HANSON: Did we have action before?

Mr. MASSEY: We are having reaction at the moment, apparently. If hon. members opposite go into their own municipalities and ask the small home owner if he is better off now than he was just over two years ago, and that small home owner answers as he feels, he will say, "No, I am worse off." Those are the facts; that is the situation which we face. We may have heard a good deal so far this session from hon. gentlemen opposite in regard to increasing good times. I am sure that if they will compare Canada's position as world trader in 1938 with Canada's position as a world trader in the middle of 1935, they will find that we have risen only in proportion with increasing good times throughout the world; but at the same time there is not one hon. gentleman opposite who will not admit that at the moment we are facing a recession—I believe that is the new technical term for a depression—and that times are not as good as they were a few months ago.

The hon. member for St. Paul's (Mr. Ross) this afternoon called attention to the fact that unemployment at the moment was increasing rather than decreasing, and yet in face of such a situation we now find that the municipalities are threatened with the problem of themselves having to assume direct relief. This is

not in keeping with the fullest interests of the country as a whole; it cannot be; for we are challenging the very existence of our homes, and when we touch our homes we are challenging the very centre of our national life; for no national life can prevail if there are merely houses, and not homes. Accordingly, when the Minister of Labour (Mr. Rogers) feels that the mayors of the various municipalities are getting, to say the least, rambunctious, and are becoming threatening, he must realize that they in their positions of importance have a responsibility to the municipalities which they represent, and that in their own way, in the way they think best, they are attempting to protect the small home owner in the municipality. I am sure that when the minister speaks, as he will in a few minutes, he will have much to say concerning the attitude of the mayors, and therefore I make this statement in advance of what he may say.

In conclusion, I would make one comment upon the general situation. We fully realize that throughout Canada, not only in municipalities but in rural centres as well and on the farms, there are thousands of houses which are unfit for habitation. Homes they are called, but homes they cannot be in the fullest sense of that noble word. This whole question of national housing is one the solution for which has been postponed too long. The hon. member for Skeena (Mr. Hanson), for whom we all have a high regard—

Mr. HANSON: Thank you.

Mr. MASSEY: —comes from a country of which he is justly proud. Those of us who have had the honour of visiting his native heath have realized the progress that has been made there particularly in connection with housing. The hon. gentleman himself may not have been to his native land in recent years; but he is a student who is constantly in pursuit of the finer things of life, and he realizes fully what his own country has done in that regard. I am sure that if he rises in his place to-night he will say that he could wish nothing more for the peace and happiness of his own constituency than that they should have homes at least as good as, if not better than, the homes one finds in Sweden, and these homes are not taxed out of existence.

We cannot contemplate such action as has been projected by the Minister of Labour without feeling that we are striking what is essentially a death blow to slum clearance and rehousing in Canada. It seems to me nothing short of a tragedy that at this time when hopes have been raised, when faith has been placed in the thought that something might be done, for two and a half years nothing has been done in the way of housing. I fully realize that the national employment commission when it was appointed faced a gigantic task. I have nothing whatever to say to-night in criticism of the actions of that commission. I should not like to be accused of having forecast to-night anything that may not be brought down in the report of that commission, which has not yet been tabled and of criticizing something I have not seen. I say to the minister, however—and I know that he will not misunderstand me—that the question before the house at this time is one that must bring to mind at once not only the matter of the problem about to be handed to the municipalities of raising further funds for relief, not only the method by which those funds will be raised, but also perforce the whole question of national housing. And I am sure that when the minister replies he will make some statement in regard to this all-important subject, perhaps not in anticipation of the tabling of the report of his highly expensive national employment commission, but as an assurance to the people of Canada, at this critical time, that even though so far this government has turned a blind eye and a deaf ear toward those who have had to live under conditions nothing short of deplorable, and also to those who have lived in jeopardy from day to day lest as a result of ever increasing taxes they have had to pay they would lose that which they already have, there are under contemplation plans for the amelioration of the difficulties and hardships occasioned by slum conditions, and the total absence of low cost housing schemes.

Mr. G. E. WOOD (Brant): I feel reluctant to reply to hon. members from Toronto in this debate, which I might term a filibuster. I am not, I must admit, very familiar with the rules of the house, I do not know what the motion is. It seems to me, however, to be a sort of free-for-all for every member to air his own local disabilities, and perhaps it would be just as well if hon. members from Toronto would be like the Scotchman who wished that we could only see ourselves as others see us.

Some of the remote districts in Ontario may have a contribution to offer towards a solution of some of the difficulties which exist in the city of Toronto, because after all the demands that are made there are going to affect us in the more remote districts of the country. I have to admit that I admire the splendid way in which hon. members from Toronto, especially the hon.

member for Greenwood (Mr. Massey), can present their viewpoint. I am somewhat jealous of the language he seems to have at his command to circle around the thoughts which he entertains. I suppose that may be due to the fact that Toronto is the centre of Ontario's educational system. The rest of us, especially in the rural districts, have to make considerable sacrifice when we send our boys and girls to the colleges and the university in Toronto, and in spite of all the hardship which seems to be inflicted upon Toronto we feel that a good deal of our money from the rest of Ontario goes into that city's educational institutions.

Mr. MASSEY: May I ask the hon. member what he considers to be the city which provides his greatest market?

Mr. WOOD: I am not sure that that has anything to do with this question. Perhaps I shall answer that later on.

The city of Toronto is also the financial centre for Ontario. While it may provide a good market for the farmers of Ontario, it will be found that after paying the charges made for doing our business, we are paying the city of Toronto very well for buying our goods. Toronto also seems to have a magnetic influence drawing many secondary industries there. The very fact that Toronto is the centre of Ontario's education, finance, and more or less its industries, causes me to think that the exhibition given us to-night by hon. members from Toronto is rather a sorry spectacle to present to a self-respecting House of Commons.

I wish to draw attention to a few figures which bear out my point. The city of Toronto has a population of about 628,000. The figures I give are taken from the 1935 report of the Department of Municipal Affairs for Ontario, that being the last year available, although I believe the 1936 report is just off the press. There are five municipalities adjacent to the city of Toronto, and there seems to be an influence somewhere that creates the condition of affairs which is associated with them. Consequently I should feel somewhat shy about being too closely associated with the city of Toronto, as far as the spending of money is concerned. In Ontario thirty-four municipalities have defaulted on their obligations, and of this number five are adjacent to the city of Toronto. I have compiled figures showing the wealth that those municipalities have at their disposal. It seems that an unfortunate lack of ability to use this wealth has got them into the unfortunate condition of which we have been told to-night.

[Mr. Wood.]

The population of the city of Toronto and its suburbs is about 800,000; the population of Ontario is about 3,320,000. That is, the population of Toronto and its suburbs represents about one-quarter of the population of Ontario. Now these municipalities have an assessment of $1,018,400,000 out of a total assessment in the whole province of $3,000,835,872. The city of Toronto has a business assessment of $118,294,435 out of a total business assessment for the whole province of $242,000,000. In other words, the city of Toronto enjoys a business assessment of about one-half that of the whole province. Again, the income of that section of which we have heard so much to-night is $35,450,000 out of a total income tax assessment for the whole of Ontario of $71,000,000. That is, Toronto has half the income tax assessment of Ontario. That seems to show that there must be something wrong in the administration of all this wealth. The total municipal debt of Ontario is $461,653,182, and Toronto and adjacent municipalities have nearly half of that debt, or $209,925,000. It seems to me, therefore, that the present difficulties are due to their spending in recent years. Is it that they have made some errors in their general administration? After all, as I look over this report I find that out of thirty-eight counties in Ontario nine have no debt at all; many others have no county or building debt—

Mr. MASSEY: How about Brant?

Mr. WOOD: I am glad to report that in six years Brant will not owe one cent. Furthermore, since the hon. member for Greenwood has raised the question, I am proud to announce that there is one municipality in the county I have the honour to represent, the municipality of Burford, which had a surplus this year and has already paid $10,000 on the county tax for 1938.

Mr. MASSEY: On the other hand, if the hon. member were facing such a condition as I suggested to-night and the city of Toronto were free of debt, perhaps the situation in which we are at the moment might be reversed.

Mr. WOOD: No, I do not think it would. I should like to tell the hon. member that when it comes to downright honest-to-goodness frugality and thrift you have to give credit to those rural districts which are still close to the influence of the old pioneer blood. I understand the hon. member for Greenwood anticipates that we are going to have another recession. Well, we have many people in the riding I represent who are ready for another depression and always will be, because

they live within their means and know how to finance. There is a character in this old foundation stock which makes them refuse to sacrifice their homes and go into debt. Their wives will go without a new dress; they will go without things instead of going into debt for them. That is the spirit which is responsible for the fact that so many of these rural municipalities have no debt.

Mr. HEAPS: I should like to ask the hon. member as a matter of information whether when he gives figures of the debt of the municipalities it is gross or net debt.

Mr. WOOD: It is the gross debt.

Mr. HEAPS: Should he not as a matter of fairness to the cities he has mentioned give the net debt?

Mr. WOOD: Of course, but I may add that as regards those municipalities I have mentioned, $16,000,000 of the debt which is in default is not included in that figure.

Mr. HEAPS: If I might continue the question—

Some hon. MEMBERS: Order.

Mr. HEAPS: I do not think the hon. member objects to answering this question. In the case of a municipality such as the city of Toronto I think it is hardly fair to speak of the gross debt without explaining as to the utilities—

Some hon. MEMBERS: Order.

Mr. LAPOINTE (Quebec East): We should like to hear this speech.

Mr. WOOD: It just depends upon your philosophy of life and the things you are in the habit of enjoying. I may go into debt to buy an automobile; I will enjoy it, and I have some value for it. But my philosophy is that I would rather have that automobile paid for before I started to use it. I know it is a lot easier for me. Perhaps that answers the question of the hon. member.

Mr. HEAPS: No, it does not.

Some hon. MEMBERS: Order.

Mr. WOOD: I have often wondered what the unthrifty people are going to do after the thrifty people have exhausted their funds, and how they are going to make a living then. True, there seems to be some magnetism in our industrial centres by virtue of the fact that living there is a great deal easier. You do not have to put as much energy into making a living. I go to Toronto quite often, and I find that their picture shows are flourishing, and you can see a great deal of prosperity in and about Toronto. They enjoy life. I should like to draw the attention of the house for a few moments to something I happened to see in the Toronto Daily Star in regard to an Indian by the name of Charlie Jones, who came to Toronto from Shawanga, which is somewhere near Parry Sound. I should like to tell the house what one of our aborigines had to say about the city of Toronto, and I quote this for the very fact that he comes with an open mind. He has made his living in remote districts, and his judgment is not warped by the fact that he has been associated with any other municipality. Apparently he was taken through the city of Toronto by a representative of the Toronto Star, and this question was put to him:

"What do you think of it so far?" . . . "It is beautiful," said Charlie. "Everybody hurrying, but maybe going no place."

This is what I want hon. members to notice:

"But everybody looks contented. I never saw anybody before that was in such a hurry and yet looked so contented. When people hurry like this, you expect them to look worried. Nobody in this city looks worried."

That is the opinion of one of our Indians upon seeing the city of Toronto, and I think that state of affairs is wholesome when we consider that hon. members come here to-night hoping that they can pull a long face and induce us to help the city of Toronto even more, when after all it would be just as well if they would actually give us the expression of their own hearts. In defence of the hon. member for Skeena (Mr. Hanson) to-night, may I say that I had occasion—

An hon. MEMBER: Can he not defend himself?

Mr. WOOD: Yes, he can easily defend himself, but for the benefit of the house there is one observation I should like to make. Last year I took advantage of the opportunity to go to that section of our country. I had occasion to stop off at Prince George, I believe it was. I am not sure whether that is in the constituency of the hon. member for Skeena; but in any case when the train stopped I commenced to talk to one of the residents of that community, asking about the condition of affairs in that locality. He said, "You know, in 1935 we had fourteen sawmills, and only two were operating. Now not only are the fourteen running but two additional sawmills have been put in." Perhaps that answers the question fairly well.

Mr. MASSEY: Ottawa agreements, 1932.

Mr. TURGEON: United States agreement, 1936.

Mr. WOOD: I do not want to delay the house very much longer, but I thought perhaps some of these observations would be worth drawing to the attention of the house. A person should be reluctant to criticize until he has some constructive suggestion to offer. I generally try to observe that rule as much as possible. It is easy to criticize, but sometimes it is difficult to substitute anything better. The nearest I could get in the case of the hon. member for Greenwood would be to suggest that he go back to the city of Toronto and recommend that it be placed under the municipal board of Ontario, as several other municipalities have been. I would also recommend that he go to some of these rural districts that are out of debt and select a group of commissioners there under which Toronto could be operated.

I take this matter seriously. I really believe there is such a thing as a city getting so large and having all the centres of education and finance that it begins to think all the wisdom is concentrated in it. There are some other municipalities, such as the one I represent, which have not done so badly. In 1932 we farmers were selling our eggs at eight cents, our butter at sixteen cents and our wheat at forty-two cents, but we were able to weather the storm, pay our obligations and at the same time reduce our municipal debts. I am very happy to say, as I mentioned earlier in my remarks, that the constituency which I have the honour to represent will be out of debt in a period of six years, and I am satisfied that the people living there will be reluctant to go into debt again. After all, debt is one of the things that make it very hard for us to take our place in industrial society. We are carrying too large a debt for our population, because concealed in the purchase price of every commodity we buy is some part of this debt.

Some mention has been made of the tariff. I believe the hon. member for St. Paul's (Mr. Ross) drew attention to the fact that it was unfortunate that there was such a large importation of goods which could be manufactured here, thus depriving these people of work. I do not think the solution suggested is a particularly good one. I am sometimes inclined to take the view that we hold the tariff guilty, either by going up or going down, of doing a good deal more than it really does. We give it a great deal more credit and a much more important place in our national life than we should. My attention was called to an incident that occurred in the town of Paris. I happened to go into one of the mills there, and the manager showed me a cloth of which he said it would take about seven yards to make a suit for an average man. The manufacturer would get about $5.04 for that amount of cloth. I was told that the cloth would make a suit somewhat similar to the one I am wearing to-night, and that the suit would sell for something around $40, showing the difference between what the manufacturer gets for the actual goods and the price for which the suit sells after the tailor makes it and it is retailed. So you see that a great many costs seem to enter into it, and I think a great deal of that cost can be traced to extravagant municipal, provincial and federal administration.

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, I wish first of all to express my indebtedness to the hon. member for Brant (Mr. Wood) for the answer he has already given to those who have spoken from the other side of the house in connection with the matter of grants in aid to the province of Ontario. I am sorry I was not in my seat this afternoon when the hon. member for St. Paul's (Mr. Ross) brought up this matter for consideration. Due to a misunderstanding, I was not aware the question was coming up this afternoon, and did not learn of it until after the six o'clock recess. However, I have followed carefully what has been said by other hon. members who have spoken on behalf of the city of Toronto, and I should like to deal—

Mr. MASSEY: Mr. Speaker, if the minister would permit an interruption: I was not speaking on behalf of the city of Toronto alone. I am sure he will understand my remarks were national in character.

Mr. ROGERS: I am glad to accept the correction. I understand fully, of course, that those who have spoken have done so particularly on behalf of the city they represent, but also with wider considerations in view.

Let me make it clear at the outset that the dominion government does not make grants in aid to the cities or to any other municipalities. The grant in aid which is paid by the dominion government is paid to the several provinces of the dominion, and the grant payable to the various provinces is restricted by the amount of money which has been appropriated by parliament for the purpose.

It will be within the memory of hon. members that at the last session $19,500,000 was voted for this purpose. In the allocation of that sum the government has done its utmost to meet the needs of the various provinces, as those needs were determined, first, by the dimensions of the unemployment problem and, second, by the financial position of the province concerned. I should like to

say emphatically that there has never been any discrimination in the allocation of grants in aid to the various provinces. It is necessary to mention that to-night, because I understand a suggestion was made this afternoon that because of drought conditions in western Canada, of an emergency nature, that total grant of $19,500,000 was heavily charged by increased grants to the western provinces. I should like to contradict that statement—if it was a statement—or to remove the impression which may have been created by what was said this afternoon.

I realize fully that in the distribution of the grant in aid to the various provinces, it is of great importance that the dominion government should avoid any suggestion of discrimination or any preference to one group of provinces over another group of provinces. Therefore, when we were obliged to deal with the emergency situation which developed in western Canada last summer, we did so upon the basis of governor-general's warrants, voted especially for this purpose, and there was no reduction of grants in aid which would otherwise have been available for the eastern provinces.

I will say—and I believe it will be fully understood by hon. members—that in the circumstances we did not feel it possible to make as drastic reductions of the grants payable to the western provinces as we felt justified in doing in the case of the eastern provinces. However, there is only one province in which the grant has been maintained steadily throughout the year, namely Saskatchewan. That grant was maintained because, when the drought area was defined within which the dominion government assumed one hundred per cent financial responsibility, its boundaries were drawn very strictly, and did not by any means include all the areas in the province which suffered severely from the climatic conditions which existed in western Canada during the past summer. I doubt if any hon. member would seriously urge that the dominion government was in error in maintaining the grant in aid to Saskatchewan without reduction throughout the year.

The grant paid to Ontario for the months of October, November and December was $465,000.

An hon. MEMBER: Per month?

Mr. ROGERS: Yes. Under the terms of the agreements which are now before the provinces, including Ontario, that amount is continued as a maximum, subject only to the qualification that it shall be reduced if the amount should be in excess of thirty per cent of the total expenditures for relief in the province. But according to the figures we have received from the provincial government, there is no possibility that the maximum will not be reached during the months of January, February and March, the period covered by the agreement now under discussion.

We have not as yet brought down the estimates for the forthcoming year, and therefore we have not dealt with the grants in aid to the provinces for the next fiscal year. I stated after meeting with the mayors of Ontario that, having regard to the reduction of unemployment, and the financial position of Ontario, the grant paid to that province was a fair and reasonable one. May I point out to hon. members from Toronto, or from other municipalities in Ontario, that to my knowledge the dominion government has never interfered with the provincial government in the distribution of the grant in aid to the municipalities. In other words, Ontario is able, of itself, to determine the financial needs of the municipalities within its borders. We try to meet the situation as we see it in the various provinces. It is the duty of the provincial government, therefore, to deal with the situation as it is observed in the various municipalities.

While I am on this point, I should like to observe that it is also within the power of any provincial government to widen the powers of taxation enjoyed by the municipalities. I know of nothing to prevent a provincial legislature from conferring upon a municipality any power of taxation which the province itself possesses. I fully agree with what has been said to-night regarding the plight of the small property owner. From the time I first came into active contact with the relief problem in Canada I have been impressed with the unfairness of a system of relief which presses as heavily as it does upon those who own real estate. But I would suggest to hon. members that the only solution to this problem does not lie in an increase in grants in aid payable by the dominion to the provinces. It is within the power of the provinces to increase the grants to municipalities, over and above the amount received from the dominion government. It is also within the power of the provincial governments to confer wider powers of taxation upon the municipalities within their borders.

The whole question of the respective obligations of various governmental agencies towards relief is one which is coming before the royal commission on dominion-provincial relations. Submissions have been made on behalf of the municipalities of the various

provinces. I have no doubt further submissions will be made on behalf of the mayors of the dominion. No one can doubt the importance of this aspect of our system of public finance. But until that question receives the wider consideration it deserves, I think we should bear in mind that the dominion government is two degrees removed from the municipalities. It has never been indifferent to the plight of the municipalities, but the primary responsibility for dealing with the position in which the municipalities find themselves rests with the provincial governments. I believe that has always been well understood.

At the same time I should like to make it clear that although that is the correct constitutional position—I do not hesitate to use that phrase in describing it, for it is a position which has been accepted alike by the preceding and the present administrations—when this government came into office it was so much impressed with the plight of the municipalities that one of the first things it did was to increase the grants in aid to the provinces by seventy-five per cent. At the same time it was made clear in the order in council that the additional amount should be passed over for the relief of the municipalities. I think I am entitled to point that out to hon. friends opposite.

Mr. STEWART: Was that not a seasonal increase? The grants go down in the summer and are increased as the winter months come on. Was that increase not made in October with the winter coming on?

Mr. ROGERS: The grants were increased for December, January, February and March by seventy-five per cent.

Mr. ROWE (Dufferin-Simcoe): Over the previous year?

Mr. ROGERS: Over the previous year.

Mr. ROWE (Dufferin-Simcoe): For the same months?

Mr. ROGERS: Over what they had been for a period of fifteen months.

Mr. STEWART: For the same months?

Mr. ROGERS: Over what they had been since August, 1934. They had been maintained at the same rate from August, 1934, to December, 1935, and we increased them by seventy-five per cent for the months I have mentioned. Thereafter, as employment improved, we made gradual reductions, first by way of a percentage and later in the form of adjustments which had regard rather to the actual unemployment conditions in the various provinces.

[Mr. Rogers.]

Mr. ROWE (Dufferin-Simcoe): Which had been done every season.

Mr. ROGERS: Which had not been done every season, if I may correct my hon. friend. Prior to August, 1934, the grants had been on a basis of 33⅓ per cent by the dominion, 33⅓ per cent by the province and 33⅓ per cent by the municipality. Following a dominion-provincial conference, in July, 1934, the previous administration decided to pay the grants upon the basis of a fixed grant in aid payable monthly to the various provinces. That system was maintained up to the time to which I have referred. In December, 1935, two months after this administration came into office, we increased those grants by seventy-five per cent.

Mr. EDWARDS: Was that seventy-five per cent increase for the whole year or just for certain months?

Mr. ROGERS: I have tried to make myself clear. It was an increase of seventy-five per cent in the amounts which had been paid monthly in the preceding year. As I say, there was no revision from August, 1934, to December, 1935.

Mr. DUNNING: No increase or no change.

Mr. ROGERS: No change whatever.

Mr. DUNNING: They ran the same from August, 1934, to December, 1935.

Mr. ROGERS: I mention that because I think it should be recognized by hon. members opposite that this government has had in mind the position of the municipalities. When we reduced the grants in aid, the reduction was upon the basis of the improvement in the general employment situation, and also the improved financial position of most of the provinces of the dominion.

I doubt very much if we are going to make progress toward a reduction of the relief problem unless we take account of these essential factors. For example, if the dominion government were to increase the grants while the problem remained the same, it would simply afford an inducement to the provinces and the municipalities to relax their efforts to reduce the relief problem. I say that with some knowledge of what has happened in previous years. As a matter of fact, those who were members of the previous administration will understand me when I say that the chief reason for the dominion government departing from the principle of percentage payments was simply the fact that with a percentage basis there was no way in which relief lists could be kept properly under control. That was the reason why the

percentage basis was abandoned and grants in aid adopted as a substitute. Following the recommendations of the national employment commission, we have attached to the grants in aid a maximum percentage rather in order to avoid the periodic and somewhat disturbing revisions of grants in aid from one quarter to another.

I think it must be recognized also that there has been a marked improvement in the unemployment situation. The hon. member for Danforth (Mr. Harris) suggested that there is a real need at this time for a strong man or a superman.

Mr. BOUCHARD: With a strong voice.

Mr. ROGERS: I am sure he will not misunderstand me when I remind him that he was a supporter of an administration which certainly in his view and in the view of many people in this country was headed by a strong man, a man who, some people believed, was a superman. I should like to give my hon. friend the unemployment record for those years. I should also like to remind him of the fact that this record occurred during the years following the changing of the tariff policy of this country at an emergency session. The result of that policy was not an improvement in employment, but rather a marked increase in unemployment.

Mr. HARRIS: Will the minister give the world record for that period?

Mr. ROGERS: Here are the number of unemployed for the months of December in successive years:

1930	413,000
1931	543,000
1932	675,000
1933	623,000
1934	571,000
1935	546,000
1936	502,000
1937	381,000

In the past year there has been an improvement of 120,000. Not only that, but the relief lists show that there have been removed from the relief rolls and added to the wage rolls of this country a number very close to 100,000. You cannot go back to any year from 1929 to the present time and find as great an improvement in a single year.

Mr. EDWARDS: Has the minister the figures for December, 1937, and January, 1938?

Mr. ROGERS: The figure for December, 1937, is 381,000. I believe there will be a further opportunity to-morrow to continue this discussion in connection with another motion.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, March 2, 1938

The house met at three o'clock.

DIVERSION OF WATER

CORRESPONDENCE TABLED RESPECTING KENOGAMI RIVER PROJECT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to lay on the table a copy of a communication dated March 1, 1938, from the Prime Minister of Canada to the Premier of Ontario regarding the Kenogami river diversion project.

HARBOUR COMMISSIONS

EXTENSION OF JURISDICTION OF WINNIPEG AND ST. BONIFACE HARBOUR COMMISSIONERS

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 32, to amend the Winnipeg and St. Boniface Harbour Commissioners Act.

He said: The purpose of the bill is to extend the jurisdiction of the Winnipeg and St. Boniface harbour commissioners to the waters of municipalities, contiguous to the cities of Winnipeg and St. Boniface, which desire to be brought under the act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MONCTON, N.B., PUBLIC WHARF

Mr. BROOKS:

1. Were tenders called for the recently constructed warehouse on the public wharf at Moncton, New Brunswick, or was the work done by day work?

2. If by contract, what was the amount of each tender, and to whom was the contract given?

3. Who was appointed foreman on this work, and what amount did he receive for his services?

Mr. CARDIN:

1 and 2. Work done by day labour.

3. (a) Reid McManus; (b) $255.

PRINCE EDWARD ISLAND RAILWAY

Mr. McCULLOCH:

What was the total cost of changing the narrow gauge to the standard gauge on the Prince Edward Island railway?

Mr. HOWE: The total cost of converting the line, according to the accounts, was $1,786,565.22, of which $1,200,570.11 was charged to capital account and $585,995.11 to

operating expenses. In addition, a loss of $383,667.05 was incurred in retirement of narrow gauge equipment.

EFFECT ON CANADIANS OF ITALO-ETHIOPIAN WAR

Mr. HANSELL:

1. How many Canadian citizens lost their lives in or as the result of the Italo-Ethiopian struggle?
2. What is the total estimated value of property such as buildings, land or personal enterprises, belonging to Canadian citizens, confiscated by Italy?
3. How many of the following types of property were confiscated: (a) hospitals; (b) schools; (c) homes; (d) land; (e) other?
4. If any of the above properties were confiscated, what are they being used for now?
5. How much has been paid to Canada in this connection by way of reparations?

Mr. MACKENZIE KING:

1. Two Canadian nationals are known to have been killed in Ethiopia during the period of the Italo-Abyssinian war.
2. Following negotiations with the Italian government the Sudan Interior Mission agreed to accept £12,000 as payment for properties which were taken over by the Italian representatives.
3. Complete details as to specific types of property are not available.
4. No information.
5. No payment has been made to Canada; all payments have been made to the owners of the property itself.

MASKINONGE RIVER, QUE., PUBLIC WORKS

Mr. WERMENLINGER:

1. What were the works executed on the Maskinonge river, at St. Didace, province of Quebec, in the summer of 1936?
2. What has been the total amount of money spent for the execution of said works?
3. What is the name of the resident superintendent who had charge of these works?
4. Are there any accounts still unpaid for the above works, either for material or for labour? If so, what are the names and occupations of those to whom amounts of money are still due?

Mr. CARDIN:

1. Construction of protection work.
2. $9,334.18.
3. C. A. Boisjoli, resident foreman.
4. An account for sawing of timber for $35 in favour of Mr. Clovis Denommé, lumber dealer, has not yet been paid. This account was not forwarded to the department for payment at time work was done, but the matter is now being attended to.

NATIONAL EMPLOYMENT COMMISSION

Mr. COLDWELL:

1. Who were the members of the National Employment Commission?

[Mr. Howe.]

2. What salary did each receive in 1936, and 1937?
3. What expenses did each receive in 1936, and 1937?
4. What other emoluments, if any, did each receive during the years 1936, and 1937?
5. What was the total expenditure on account of this commission during the years 1936, and 1937?

Mr. ROGERS:

1. Arthur B. Purvis, chairman, Montreal, Quebec; A. N. McLean, Saint John, New Brunswick; Alfred Marois, Quebec, P. Q.; Tom Moore, vice-chairman, Ottawa, Ontario; Mrs. Mary M. Sutherland, Wells, British Columbia; W. A. Mackintosh, Kingston, Ontario; E. J. Young, Dummer, Saskatchewan.
2. The commissioners were not in receipt of a salary, except Commissioner Moore whilst performing the duties of vice-chairman.

Fiscal year 1936-37 (March).. ..	$ 641 25
Fiscal year 1937-38..	6,750 00

3.	Fiscal year 1936-37	Fiscal year 1937-38
Arthur B. Purvis.. .. .	Nil	Nil
A. N. McLean.	$1,547 16	$1,311 39
Alfred Marois..	892 85	389 10
Tom Moore (travelling expenses only)..	275 75	334 20
Mrs. Mary M. Sutherland..	2,706 63	2,243 11
W. A. Mackintosh.. ..	1,017 58	593 88
E. J. Young..	2,110 20	408 60

NOTE: The above expenses consisted of travelling expenses.

4. A remuneration at the rate of $20 a day while engaged on the work of the commission (P.C. No. 1140, 13th May, 1936). The following amounts were received:—

	Fiscal-year 1936-37	Fiscal year 1937-38
Arthur B. Purvis..	Nil	Nil
A. N. McLean..	Nil	Nil
Alfred Marois..	$2,489	$1,040
Mrs. Mary M. Sutherland..	4,845	4,600
W. A. Mackintosh..	1,786	1,280
E. J. Young..	4,275	620

NOTE: Commissioner Moore from June, 1936, to 28th February, 1937, received salary as employment and social insurance commissioner to the amount of $6,432.50.

5.	1936-37	1937-38
National Employment Commission	$88,966 93	$72,413 80
National Employment Commission, registration branch	58,602 79	75,512 14
	$147,569 72	$147,925 94

CAMBRIDGE, N.B., LANDING FIELD

Mr. BROOKS:

1. (a) What money was expended on the emergency air-landing field at Cambridge, Queens county, New Brunswick, in the year 1937; (b) who was in charge of the work; (c) what are the names of the men employed, and the amounts received by each?

2. (a) How many buildings were sold off the said property, and to whom; (b) what amount was received in each case?

3. (a) What amount was received for standing grass sold off the said property; (b) was the grass sold by tender, and, if not, why?

Mr. HOWE:

1. (a) $344.40.
(b) E. C. Percy, district airway engineer, Moncton, N.B.
(c) Cambridge, N.B.

Survey work

Classified labourers

Name		Amount
John Austin	Labour	$55.80

Topographical Survey

Russell Perry	"	54.60
Gordon Perry	"	55.80
Garfield Fowler	"	58.20
		$224.40
T. Kelly, part time caretaker, 12 months at $10		120.00
		$344.40

2. 27 buildings were sold through the salvage board:

Buildings	Purchaser	Amount	Salvage minute
1 Guest house	E. C. Percy, Moncton, N.B.	$20.00	9,952
1 Old oil house	James N. McLaughlin, Mill Cove, N.B.	21.52	9,978
1 Tool house	Ottie Deware, Cody, N.B.	15.00	9,977
1 Foreman's quarters	Thos. E. Kelly, Mill Cove	10.00	10,011
1 Stable	Tom Kelly, White's Point, N.B.	10.00	10,012
1 Store room		2.00	
1 Cooler		2.00	
1 Ablution room	Miss Elizabeth Kelly, Mill Cove	20.00	9,994
1 Bunkhouse No. 5	Roy Ferris, department authorized disposal without charge	no value	10,213
1 Bunkhouse	Harold Springer, White's Cove, N.B.	5.00	10,224
1 Dining room	A. L. Gunter, White's Cove, N.B.	20.00	10,217
1 Store and ration room	S. Appleby, Narrows Cove, N.B.	4.75	10,223
1 Kitchen	S. Appleby, Narrows Cove, N.B.	4.75	
1 Cooks sleeping quarters	S. Appleby, Narrows Cove, N.B.	2.00	
1 Bunkhouse	C. R. Starkey, Cody's, N.B.	2.00	10,218
1 Bunkhouse	Frank B. Starkey, Cody's, N.B.	2.00	10,216
1 Bunkhouse	Emerson Farris, Cambridge, N.B.	11.00	10,225
1 Recreation room	Emerson Farris, Cambridge, N.B.	16.00	
1 Cooler	Medley Wood, Mill Cove, N.B.	10.00	10,226
1 Blacksmith shop	Merritt Appleby	4.00	10,239
1 Garage	Cambridge, Queen	4.00	
1 Hospital	Clarence W. Barton, Mill Cove	20.00	10,272
1 Toilet	Clarence W. Barton, Mill Cove	1.00	
1 Toilet	Clarence W. Barton, Mill Cove	1.00	
1 Pump house	Clarence W. Barton, Mill Cove	10.00	
1 Water power building	Emerson Ferris, Cambridge	2.00	
1 Icehouse	Emerson Ferris, Cambridge	1.00	

3. (a) $20; (b) Yes. Calls for tenders were posted in Cambridge, Jemseg, and on the airport.

IMPORTATIONS OF ASPARAGUS

Mr. LENNARD:

What was the value of the asparagus, both fresh and canned, imported into Canada from the United States during the calendar years 1935, 1936 and 1937?

Mr. EULER:

Calendar years	Asparagus, fresh	Asparagus in cans or other air-tight containers
	$	$
1935	68,124	27,765
1936	145,033	49,136
1937	101,589	21,399

HOG PRODUCTION, GRADING AND EXPORT

Mr. McGREGOR:

1. How many hogs were slaughtered in Canada in each of the three years 1935, 1936, and 1937?
2. How many hogs in each year were officially graded: (a) on the hoof; (b) on the rail?
3. How many in each year were classed as selects?
4. What percentage of the kill in each year was exported to Great Britain as: (a) Wiltshire sides; (b) hams; (c) box cuts?

Mr. GARDINER:

1. Inspected slaughtering of hogs:

1935	2,805,825
1936	3,562,534
1937	3,802,141

2. Number of hogs officially graded:

	(a) Live graded	(b) Carcass graded
1935	2,831,479	115,209
1936	3,297,973	447,493
1937	2,923,769	1,002,541

3. Number of hogs officially graded as selects alive or "A" grade carcass grading:

	Selects	"A" grade
1935	650,180	40,043
1936	805,987	154,776
1937	714,847	312,087

4. Exports of Wiltshire sides, hams and other cuts to Great Britain:

	Wiltshires	Hams	Other cuts	Total bacon
1935	79,126,105	24,254,274	17,945,337	121,325,616
1936	93,644,513	37,109,089	30,201,510	160,955,112
1937	115,084,817	41,726,249	35,946,097	192,757,163

Percentage of inspected slaughtering of hogs exported to Great Britain. On the basis of 120 pounds of bacon to a hog, bacon exports were equivalent to live hogs as follows:

	Pounds	
1935	121,325,616	=1,011,046 live hogs
1936	160,955,112	=1,341,292 " "
1937	192,757,163	=1,606,309 " "

Inspected slaughterings equivalent in live hogs exported:

	Percentage of total kill exported
1935	36 %
1936	37·6%
1937	42·2%

CANADIAN BROADCASTING CORPORATION—RADIO LICENCES

Mr. LAWSON:

1. What were the total number of radio licences issued for the current year as of December 31, 1937?
2. What net amount of money was received by the Department of Transport (after deduction of commissions, etc.), from the issue of such licences?
3. What amount was paid to the Canadian Broadcasting Corporation in respect of radio licence fees during the calendar year 1937 or during the fiscal year commencing April 1, 1937, to date?

Mr. HOWE:

1. 1,048,232.
2. $1,925,014.61.
3. From 1st April, 1937, to date—$1,870,000 (plus $110,000 credited in May, 1937, in respect of the year 1936-37)

[Mr. Euler.]

QUESTION PASSED AS ORDER FOR RETURN

FOREIGN INVESTMENTS IN CANADA—EXCHANGE OPERATIONS—FOREIGN INDEBTEDNESS

Mr. ELLIOTT (Kindersley):

1. What are the total foreign investments in Canada?
2. What are Canada's total payments to foreign investors in: (a) interest; (b) dividends?
3. What portion of Canada's balance of trade went to pay foreign credits?
4. Is there any control over foreign investments in Canada for: (a) purposes of restriction, and (b) control of exchange operations?
5. Through what agencies is exchange operated (explaining the operations)?
6. Are there any preferential exchange rates to certain importing countries, or is preference given solely by tariffs?
7. How do tariffs, quotas and restrictions effect and/or interfere with purely local trade?
8. Has Canada liquidated any of its foreign indebtedness during the last year or two? If so, how much? Has it increased, and, if so, how much?
9. What is the controlling factor, making necessary, the floating of foreign loans?
10. On whose authority was the last London loan floated?
11. Was it not possible to borrow this money in Canada for the purpose intended?

MOTIONS FOR PAPERS

CEYLON, SASK.—POST OFFICE BUILDING

Mr. DOUGLAS (Weyburn):

For a copy of all correspondence, letters, telegrams and other documents exchanged between the Post Office Department and any other person or persons from 1935 to date, concerning the proposed rental of the Bank of Montreal building in Ceylon, Saskatchewan, with a view to using the same as a post office.

REGINA—COLLECTOR OF CUSTOMS

Mr. DOUGLAS (Weyburn) (for Mr. Coldwell):

For a copy of all correspondence, telegrams, and other documents in the possession of the department, relative to the granting of an extension of one year to the collector of customs at Regina, Mr. J. H. Spooner, who attained the age of 65 and became eligible for superannuation on January 8, 1938.

UNEMPLOYMENT RELIEF

FEDERAL RESPONSIBILITY FOR DIRECT RELIEF—CONSTITUTIONAL REFORM AFFECTING SOCIAL SERVICES

Mr. T. L. CHURCH (Broadview) moved:

That, in the opinion of this house, the government be requested to consider making direct relief, and also in part, urgent relief works, a federal responsibility entirely and not a municipal or provincial one, notwithstanding the provisions of any law, statute, usage or custom to the contrary;

And also consider a new measure of constitutional reform adapted to Canada's present-day circumstances so as to afford a more ready, just, equable and more immediate remedy and basis of dealing with all of Canada's social services of all and every kind, thus providing a quicker solution of the same and more equality of treatment for all provinces of confederation on the principle of each for all and all for each;

And, if deemed advisable, a select committee of the house be appointed to make a study and review of the whole question and report back to the house as quickly as possible.

He said: This resolution has been on the order paper since January 27 last. I did not know until the moment it came up yesterday of another such motion to go into supply. But, after all is said and done, the discussion yesterday will do no harm, although it anticipated this prior motion. In regard to the remarks I made last night, I believe from what the late Right Hon. Austen Chamberlain said that one will find as I have found the House of Commons to be a place of much kindness. I found also that the House of Commons is a sort of gentlemen's club. If I made any personal remarks last night it was the first time since I have been a member. But I say now that I am very much disappointed at the stand taken by the minister as far as the municipalities are concerned. I did not speak last night for the city of Toronto, far from it; my remarks were national in scope, not provincial, not municipal. They related to a problem which is Canada's greatest domestic problem since we have been a country, the care of the health, comfort, welfare and well-being of all the citizens of this country. That should be the supreme interest of parliament.

I am sorry if this resolution is taking up too much time, but too much time cannot be given to this chief domestic problem. This is the twenty-fifth day since parliament met and what have we done for the average forgotten man, the industrial worker, the farmer and the toiler who have no work by which to earn a living? Nearly all hon. members are owners of real estate; many of them know conditions better than I do; the medical men who visit these people, the social workers, the municipal workers, know the conditions that exist. Parliament meets and does nothing about the matter. The motion before the house to-day puts directly on the House of Commons full responsibility for the solution of this problem.

I was asked a question by an hon. member last night. I am sorry I did not know what his question was. I had no time to answer questions. Had I known what the hon. gentleman was asking I should have answered. He asked me what remedies I had. I did propose remedies. During the debate on the appointment of the Purvis commission I laid this matter right at the doorstep of the government and the gentlemen on the front benches and proposed remedies; I pleaded the cause of the man on the street to the man in the cabinet. I was very much disappointed last night at the reply which the minister made in the house. I gave concrete cases; I quoted conditions in forty cities all over Canada.

The government of the day is responsible for the solution of these problems as long as it is the government. Under the principles of responsible government the responsibility is not on members of the opposition; it is not on the private members. Under the constitutional practice from the days of Edmund Burke the government of the day is responsible to the electors for the way it administers the country, this sacred trust, as long as it is the government.

This resolution of mine is divided into two parts. It places the burden of relief where it belongs, on the federal government. I was asked last year by some municipalities to bring this matter up. They were of the opinion that the dominion government is the only body which can solve this problem, inasmuch as that government controls the tariff, trade and commerce, banks and banking and bills of exchange, and immigration. They brought the people into the country. This view of the municipalities was recently emphasized at the meeting of mayors. They asked that relief be borne forty per cent by the dominion, forty per cent by the provinces and twenty per cent by the municipalities Some ten years ago when the hon. member for Winnipeg

North Centre (Mr. Woodsworth) and I brought this question of relief to the attention of parliament, we suggested that the cost should be divided amongst the federal, the provincial and the municipal governments, one-third each. Until the dominion-provincial conference of 1934 that was the rule. At that time the dominion government changed the whole policy and decided that they would not deal directly with the municipalities in regard to relief. It is in the cities of over 40,000 population that ninety-five per cent of this relief burden arises. I am not referring to the drought sections, because that situation occurred later. In this resolution I ask that the government solve these problems. We live in a land of plenty, a land flowing with milk and honey; yet we have people starving owing to the failure of the government of the day to solve the greatest problem Canada has, that of distribution which is at the base of the whole question.

The second part of the resolution deals with the constitutional question. Last year I had a resolution before the house for constitutional, parliamentary, cabinet and law reform. The government in reply said, "We will appoint a royal commission," which they did. The commission was to be chosen to revise, amend and bring in a sort of new bill of rights for the forgotten man, and amendments to the British North America Act. That has all been changed, and we have now travelling throughout Canada a roaming commission, which can do nothing at all but give this parliament advice and opinions.

We were told two years ago that this travelling minstrel show, the Purvis commission, headed by the Canadian representative of the du Pont dynasty, the gentlemen who control Canadian Industries Limited, and other vast corporations, who controls sixty per cent of the companies engaged in transportation, distribution, agriculture and so on, was going to solve these problems, but that first it had to make a survey. We were told that we ought to read the essays of Carlyle before we would understand the problems of the country, and we were told that we did not have the facts. After spending two years in the collection of facts, what did we find? We found that all that was discovered had been found out by the committee headed by Senator Couzens in the United States in 1927. They even copied the youth assistance idea from the findings of that committee, and that matter was brought up from the opposition benches years ago.

What reply did we get? Apparently the government policy is to balance the budget and stop feeding the hungry. That is the policy of the Minister of Labour (Mr. Rogers); I say that without fear of contradiction. They want to turn all these people back on the municipalities for any relief, who can depend only upon real estate taxes to meet their expenditures. Most hon. gentlemen here own real estate; we are investors first and members of parliament afterwards. Once in a while, instead of coming down here for five or six months and looking after the business of the country, we should look after our own affairs. I do not think I need appeal to hon. gentlemen because they are all investors in real estate.

In my opinion, Mr. Speaker, this problem can be settled only by the House of Commons. No municipal council and no provincial government can settle it. No Purvis commission or any other body can give us the solution. No Rowell commission can deal with it. That commission is travelling all over Canada. It is going to be a harvest for the lawyers, but all the unemployed will be dead before we get a report or any action on it. It simply means that the government of the day is postponing action. When the government does not have the courage to deal with a problem, a favourite way to postpone action is to appoint a roving royal commission and take judges off the bench instead of leaving them to attend to their judicial duties. We are told that this new Rowell commission is a fact-finding commission, as the Purvis commission was supposed to be. This is the second fact-finding commission we have sent out on the road. It will visit all parts of Canada; it will cost a large sum of money for lawyers to present briefs, and after they are presented they will be simply thrown into the waste paper basket. The commission was appointed solely for political expediency and will find out nothing not now known.

I repeat that parliament is the only place where this problem can be settled. In a previous debate I said that the provinces never should have been created; that they were created in this way by the fathers of confederation for political rather than economic reasons. At that time, in 1936, I coined the epigram that the various provinces, now ruled entirely by Liberal administrations, were like nine Balkan states, all quarrelling among themselves, and that is just what they are The present government do not admit responsibility for this problem; they say their aid is only a grant or loan. They go back to their stand of ten years ago When I asked a former Minister of Labour, Mr. Heenan if this government would contribute one-

third of the cost, he said no; that the question of unemployment under the British North America Act was one for the municipalities and the provinces

In my opinion, the remedies which have been proposed by the present government are wholly futile. It seems to me, after reading what the Minister of Labour said in the house last night, that he is making the whole problem a political question. I moved in the house, a week before the meeting of the mayors, that certain papers regarding relief be laid on the table. That information was laid on the table of the house on Friday, and on Saturday, at the meeting of mayors, only one or two government members had copies of it, the opposition members had none. I say to the minister that this is not a political question in any shape or form; it is an economic problem entirely. The remedies suggested by the government remind me of the celebrated remark of a well known Canadian, the late Hon. J. Israel Tarte, who said that elections are not won with prayers, and that platforms are made to get in on and not to stand on.

If hon. members opposite want to find out the policy of the Liberal party, or the remedies they propose, let them remember what was on the bill-boards all over the country during the last campaign, in 1935. "Beat Bennett and Bad Times." "Action, not Promises." "End Unemployment, Vote Liberal." That advertisement was in black and yellow colours, those of a famous racing stable, on a big bill-board at the Don river. Those colours were significant—the black for the unemployed and the yellow for the yellow policy of the government which will not tackle this problem. They did beat Bennett, but they have not carried out their promises to give us better times or solve unemployment or relief. They have appointed several commissions but otherwise have done nothing. They shoved off this new deal into the law courts, and then the decisions were put into cold storage. Nothing has been done even in regard to sickness and unemployment insurance, which has been part of the Liberal platform since 1919. Now it is said that nothing will be done about it this session, until the report of this Rowell commission is brought in next year or the year after. Parliament will not see it until after the next election.

This is the twenty-fifth day of this session, and the electors and ratepayers back home are asking what we are going to do about the matter. We have all the facts we want. The next election will be won by the voters of the middle classes and those whom I have called the forgotten men, together with the industrial workers who have been driven to the wall. Eighteen men control the wealth of all Canada, the products of the sea, the soil, the forest and the mines, and no effort is made to have any equitable distribution of wealth or to solve the question of distributism. The only fair basis I see on which to meet this problem is the percentage basis. We have several volumes of these figures, reports and indexes which have been presented by the minister, but they do not show the real state of affairs in industry at all. Many Canadian workers are on part time. Many industries are closed up altogether, while others are threatened by the continuous tinkering with the tariff. It has been said that there may be some interference with the Ottawa agreements of 1932. While all this tariff tinkering is going on, who will invest money in business in Canada?

Last night the minister gave figures indicating that the number of unemployed has decreased steadily since 1930, until in 1937 the figure stood at 381,000. He said that last year it improved by 120,000, while 100,000 were taken off relief and put on payrolls. I challenge these figures. I had a letter from an indexed worker in my riding stating that he had been working in a very large industry in ward six. But he has been laid off for three or four months and has been unable to find other work. He applied to the fire department but could not get a job. In my opinion these indexes are not reliable. They may be all right sometimes, but it is another matter when the government undertake to count the people in the country who are out of work.

The main problem in industry in Canada, as I say, is that of unemployment, because no scheme of doles or insurance can take away the desire of free citizens to work. No insurance scheme can be a substitute for the desire of the ordinary man to find employment. Employment is the only agency by which the wealth of the nation can be distributed. Without distribution production is a mere waste of time. I am not altogether a believer in socialism. I believe the day to day conduct of business in Canada should be left to those who understand it, namely to the business men and the retail men in the country. It should not be left to a lot of index collectors, professors, royal commissions and so forth. I believe there are many abuses of the capitalist system, and many abuses in industry. Some people are protectionists only for what they can get out of it, protection themselves. The worst enemy of protection is that five per cent of the manu-

facturers who maintain sweat shops, and do not give the employees a chance, as was revealed by the price spreads committee. That committee should be reestablished, and the sooner the better. I believe business should be conducted along proper lines, and that there should be a fair readjustment and sharing of the profits of labour in industry.

The question of income tax has been referred to previously. I have before me the monthly reports of the Bank of Canada. They show that the country spent about $212,000,000 on unemployment, and the details are given in a chart. This chart shows a steady increase. About $212,000,000 has been spent on unemployment since the depression started. What has been collected in income tax in Ontario? During that same time they have collected $252,000,000 in that province. Every year the people of Ontario pay the full cost of relief for the whole of Canada, including the cost in the drought area of Saskatchewan, What does Ontario get? It gets little or nothing.

I believe in the principle of each for all and all for each, as set out at confederation. That is the only proper principle. Why should some provinces, because they support the government, be given a better percentage? Why is Ontario not given more consideration, because in that province the industrial worker is suffering as much as those who are in the prairie provinces? I am asking for a larger share of the income tax receipts.

I say that the dominion should share with the municipalities what it receives from Sir Thomas White's act of 1918. Real estate and income taxes have been taken away from the municipalities, and that means a loss of about $3,500,000 a year to the city of Toronto. I brought this matter to the attention of the house in the session of 1926-27 when, as reported at page 145 of volume I, of Hansard I moved:

> Whereas it was deemed necessary and expedient to impose an income tax by the parliament of Canada as a revenue measure growing out of the war and to temporarily invade the former exclusive field of the municipalities to collect this form of taxation.
>
> And whereas such taxation has led to duplication and there is an urgent demand for further reduction of taxation and to restore to the municipalities their former exclusive rights and prerogatives to this form of taxation.
>
> Therefore this house will support the government in any immediate measures it may take to give effect to the principles of this resolution or to reduce taxation generally, including income tax, sales tax, stamp revenue postage and other forms of what are called nuisance taxes.

Some of those taxes have been removed, but the income tax has remained. In introducing the income tax measure in 1918, the then minister of finance said that he hoped in a few years to hand back this type of taxation to the municipalities.

For these reasons I say that these conditions should be investigated. Then, would it not be a good thing to have a referendum at the next election giving the people an opportunity to say what they think about the duplication by way of overgovernment and overtaxation in Canada by having provincial governments. We should have a referendum as to whether or not the people are prepared to vote on the abolition of provincial legislatures. Since confederation they have been at the root of many errors in Canada. They have been at the root base of many racial jealousies. They have handed out natural resources of the sea, the forest and the mines to favourites, and we have had nothing to do with the matter. They are just a second municipal system. They were established only as an afterthought of the fathers of confederation. With her 47,000,000 people, Great Britain has not such a system. Australia has had one only recently, and I say that the form we have is just a glorified municipal council, or a large county council, as Sir Oliver Mowat called them.

What have they been doing? The moment Toronto, or Hamilton, or London or Windsor finds a new source of revenue, what does the province do? It grabs that source of revenue for itself, and takes it away from the municipality. It loads the burden of debt on real estate. I contrast the reply the mayors of Canada received from the minister with what Mr. Hopkins, WPA administrator, told the United States mayors at the Mayflower hotel conference held recently. He joined with the mayors of Chicago, Los Angeles and Cleveland in asserting the responsibility of the federal government for the care of the unemployed. The conference took no action, however, on the question, beyond referring to its resolutions committee a resolution asking a thirty per cent increase in WPA quotas to cities, on account of the increased cost of food, clothing, coal and rent. The administrator was supported by Mr. J. Warren Madden, chairman of the National Labor Relations Board, who told the conference there is no reason whatever for Americans to be pessimistic about the practicability of industrial democracy. There is considerable reason for the workers to be pessimistic about any action taken by this government with respect to the control of the high cost of living or relief.

I notice in a recent publication of hon. members opposite, known as the Canadian Liberal Monthly, the Right Hon. R. B. Bennett is charged with the responsibility

for Liberal inaction. In answer to that statement, would not Hansard show the discussion in connection with Mr. Bennett's New Deal policy when hon. members opposite, then on this side of the house, sat as dumb as oysters? The head of the department would not say whether he was for or against it, and had no views on the subject during the debate.

The answer of the present Minister of Labour to the municipalities is along the same line. The government has not been able to make up its mind with respect to social reforms, on which platform it was elected. If the government literature in this monthly publication is correct in saying that the legislation of the late government was ill considered, hastily drafted, and condemned with the stigma of unconstitutionality, were not hon. members opposite, now on the government benches, aware of that fact when the legislation was passed? Where have they been since they took office? They will have to repeal those measures, or cure their defects. But nothing has been done, except that the decision of the privy council has been put into cold storage, and unemployment relief abandoned after all the bill-board promises.

What does the government propose to do for the house owner? Is it going to wait until the royal commission presents its report? The relief in municipalities will be reduced, if the federal government does not do something about the matter. Fears were expressed at the mayors' meeting with respect to relief, and it was indicated that if dominion grants are not increased, the provinces will not make to the municipalities the grants which they made last year. Through income tax the provinces have taken money belonging to the municipalities.

In passing, may I say a word or two about my observations of last night. I did not refer to local matters. The hon. member for Brant (Mr. Wood) made some observations in the house last night. He made his annual filibuster—to use his own word—against the city of Toronto. He is one of those hit and run members, who hits out about something he knows nothing about. He was one of those who supported the Drury farmers government in Ontario.

I was not responsible for bringing up this matter and I did not know anything about it. In answer to the hon. gentleman I may say that every utility in the city of Toronto is self-sustaining and has its own sinking fund and costs not a cent in the tax rate. Services are given to the public at cost. Twenty years ago the water rates were running away behind, but to-day the city of Toronto is supplying water to about fifteen different municipalities at cost, and that fine system is self-sustaining on low rates. Roads have been built into the county as far as fifteen miles to permit the bringing in of milk and other farm produce. The city of Toronto paid forty per cent of the cost of building and maintaining the Toronto-Hamilton highway. If it were not for the city of Toronto there would be no hydro electric service in the province or any Chippawa plant. The city of Toronto saw to it that outside places received their electric power at the same rate. The Toronto transportation system, the hydro electric system, the water system and other utilities are all self-sustaining; it is not necessary for the taxpayers to put up one cent in taxes for them. Toronto is the most solvent city on the American continent.

As the hon. member for Winnipeg North (Mr. Heaps), the whip for the Cooperative Commonwealth Federation, said, it was most unfair to consider the gross debt and pay no attention to the net debt, but what did the hon. member for Brant care about that? Toronto is the only city that I know of which supplies transportation at cost on a five cent basis. The hon. member for Brant made his annual tirade against the city of Toronto. He was one of those who supported the farmer government, known as the Drury government, in Ontario. We all know where they went. Manufacturers and others were denounced as grabbers and robbers, and the result was that no manufacturer would invest in industry in the province while that government remained in office. The hon. gentleman represents 18,000 constituents in Brant constituency, but when I followed Sir George Foster as the member for North Toronto I represented 120,000. Apparently the hon. gentleman is not a believer in that good old clear grit doctrine, "representation by population." I was surprised to see the Minister of Labour justify the erroneous statements which had been made by the hon. member for Brant and congratulate him. I was surprised when Liberal members from Toronto did not rise in their places to correct the hon. gentleman. I have the report from the bureau of statistics and I know that his figures were not correct.

According to the figures of the bureau of statistics, the real estate board, the Bank of Canada, and others, the capital debt of Toronto is little or nothing considering the net debt and the great revenues of utilities. That city has the largest sinking fund of any city in the dominion. A total of $28,000,000 has been set aside as a sinking fund to pay the debt. The city spends many thousands in providing hospitalization and education, summer and winter fairs, and other services

which this government should provide. This parliament was able to vote three millions and a quarter to provide for the health of animals, but it could vote only $427,000 to provide for the health of humans. It was left to the city of Toronto to pioneer in modern health work under the late Doctor Hastings. That work benefited the city of Brantford and other places throughout Canada.

The city of Toronto was left out of the distribution of relief work and had to pay $100,000 for the construction of a breakwater at the island. The first time since confederation cities in Quebec were given millions of dollars when Toronto got little or nothing. This was the treatment given although that city contributes vast amounts in the form of income tax. All these relief works are a direct charge against income and are paid for largely by income tax collections. I do not wish to detain the house any longer as our session to-day will be only for the afternoon and there are others who may want to express an opinion on this matter. This is not a local matter, but it has been made a political football by the present government.

This House of Commons is the only body that can solve this problem. As the resolution refers t the British North America Act, I shall say a few words about that. We want the British North America Act for the living, not for the dead. This act has placed our industrial workers and farmers in straitjackets. The phrase I used three years ago is still true and these people are still in straitjackets. We are the only body that can settle this question, not the present royal commission under Mr. Rowell. The British North America Act should be revised and all these social services should be readjusted. Confederation is at the cross roads; we are at the parting of the ways under the act as it is at the present time.

If the government wants to find some money to provide these social services, let them solve the railway problem. Did not the Prime Minister (Mr. Mackenzie King) and others say in the last election that if they were returned to power they would settle the railway problem in short order? We must provide for a deficit of $40,000,000 a year in connection with our railways. Then there is drought relief, pensions and all that to be considered. This government can afford to send a useless deputation to the League of Nations; they can spend three and a quarter millions all told on that organization since 1922; there are many ways of finding revenue; but when it comes to providing a few dollars for hospitalization and relief of the hungry and needy, they say they have not anything.

It would have been far better if the advice of the leader of the opposition (Mr. Bennett) had been taken and these matters discussed at a round table conference as they do in Washington. That would have been better than appointing a royal commission which can only collect facts and give advice about which nothing will be done for years. That would have been the proper way to settle these matters, especially when the government of the day have their friends in office in the provincial governments. Or it would have been far better if a committee of this house had been set up to consider these things. We got somewhere with the mass buying and price spreads committee and we demonstrated that facts could be found very quickly.

Mr. SAMUEL FACTOR (Spadina): Mr. Speaker, if I understood the hon. member for Broadview (Mr. Church) correctly, he suggested that we ought to approach this problem first as investors and second as members of parliament. I suggest to him that we should reverse that process and consider the problem first as members of a national parliament and second as investors.

Before the economic depression set in, relief was primarily a municipal and provincial responsibility and was assumed by these authorities as such. In order to illustrate this point may I say that figures furnished by the department of public welfare of the city of Toronto indicate that even back in the year 1922 Toronto spent some $114,969 on direct unemployment relief, in addition to providing other general social services such as hospitalization, care of indigents, clinics, children's aid societies, Ontario training schools, industrial refuges, mothers' allowances, old age pensions and the like. In 1922 the city of Toronto expended $1,367,444 on direct relief and the providing of these general social services; and so on during the years 1923, 1924, 1925, 1926 and 1927. In 1928 and 1929, two years of so-called boom or prosperity, the city of Toronto expended, respectively, $1,909,007 and $2,036,910. These figures clearly indicate that the municipal authorities were then assuming this responsibility and perhaps were quite capable of doing so. When, however, relief became so general as to constitute a matter of national concern, the dominion government came to the assistance of the provincial and municipal authorities with a system of grants in aid. I shall not discuss at the present time the efficacy of that system, or criticize it unduly, but I should like to quote a passage from the interim

report of the national employment commission, referring to the situation in respect of grants in aid as the commission saw it on taking office:

> A system of aid, to which the dominion contributed, which had developed without adequate regard for the causes of the distress relieved and with insufficient safeguards, and which in consequence tended to discourage rather than encourage reemployment.

In any event this system of grants in aid was established, and under the legislation of the former administration the dominion contributed on a percentage basis; thirty-three and a third per cent was provided by the province, the municipality and the federal government respectively. In August, 1934, when the administration which the hon. member for Broadview supported was in power, the system was changed and the grants in aid were cut down to a monthly sum of $600,000. This was in effect between August 1, 1934, and November 30, 1935, while the former administration was in office. In other words, during that period the grant in aid was decreased in percentage from thirty-three and a third to 21·11 per cent. I ask the hon. member for Broadview and the hon. member for Danforth (Mr. Harris), both of whom were in the house at that time, why they kept such a discreet silence when the percentage of relief was decreased? Why did they not criticize the administration for reducing the percentage of relief as I have indicated? The other two hon. members, representing St. Paul's (Mr. Ross) and Greenwood (Mr. Massey), were not then in the house; they were only budding politicians; but surely the hon. members for Danforth and Broadview could have risen in their places and protested against the decrease. I am not prepared to criticize the former administration for having inaugurated that reduction, because I think they found that a percentage grant of relief is not in the interest of the taxpayer, that it encourages an excess of municipal expenditures and has caused many municipalities to become insolvent. But in any event these hon. members were silent.

Mr. HARRIS: Will the hon. member permit a question?

Mr. FACTOR: Yes.

Mr. HARRIS: What portion of the moneys paid out for direct relief at the time he mentions were revealed in the tax rate or in the taxes collected by the city of Toronto in the year to which he refers, which I believe was 1933?

Mr. FACTOR: I have those figures, and if the hon. member will permit me I will refer to them later.

Mr. HARRIS: The hon. member knows that there was nothing in the tax rate, and that now there are two millions of dollars paid in taxes.

Mr. FACTOR: I appreciate the question, and I will answer it when I come to it.

Mr. HARRIS: That explains the silence.

Mr. FACTOR: In 1935 the present administration came into power, and what happened? The grants in aid to the province were increased to seventy-five per cent and the monthly grants increased to $1,050,000. In other words the percentage was increased from 21·11 to 31·91. I do not recall hearing the hon. members for Broadview and Danforth give any measure of praise to this administration for increasing the grant in aid from twenty-one to thirty-one per cent. There was an indiscreet silence at that time.

In April 1936 conditions undoubtedly had improved, and the grants in aid were reduced to $892,000. There were successive adjustments from April 1936 to June 1937, when the grants amounted roughly to about $600,000 a month, or thirty-two per cent of the total. In July 1937 they were reduced to $480,000, and remained at this amount till September, 1937, then amounting to thirty-eight per cent of the total; and in October 1937 the amount was reduced to $465,000, to continue to the end of the fiscal year, March 31.

I wish to quote a few figures to indicate how fairly and adequately the federal administration tried to deal with the provinces. Since the government came into office the dominion grants in aid to all the provinces, as of December 31, 1937, amounted to $59,404,798. Of this amount Ontario has received $19,941,750, or 33·6 per cent. The population of Ontario, according to the bureau of statistics estimates for the year 1937, is 33·4 of the population of the dominion. I believe hon. members will agree with me that that was a fair allocation of the grants in aid. Further, of the total number in receipt of material aid in the dominion in January 1937, twenty-nine per cent were in Ontario; in January 1938 the percentage in Ontario of the dominion total dropped to 22·6. From January 1937 to January 1938 the reduction of the numbers in Ontario in receipt of material aid was 32·4; in the same period the reduction for the dominion, apart from the drought areas, was 23·6 per cent, and for the dominion including the drought areas, 13·6 per cent. In January 1937 the percentage of Ontario's population on material aid was 9·2; in January 1938 the percentage had dropped to 6·2. The percentage of the population in receipt of material aid, apart from the drought area, was, in January 1937, 9·1, and in

January 1938, 7·1. Persons in receipt of assistance in Ontario in January 1937 numbered 340,099; the number in receipt of assistance in January 1938 was 230,000, or a reduction of thirty-two per cent. Cost of relief, as estimated by the province, was in January 1937, $2,503,462, and in January 1938, $1,800,000, or a reduction of twenty-eight per cent. Last session parliament voted some $19,500,000 for distribution to the provinces by way of grants in aid, and I can sincerely say that the Minister of Labour (Mr. Rogers) and this government have allocated that sum very fairly and equitably, considering the financial position of the respective provinces. A province that claims a surplus, a reduction in debt, a province that reduces taxation in various forms, is a province that should not ask for as much assistance as one that is not in such a good financial position. That is my opinion.

May I for a few moments consider the problem of the city of Toronto. I wish to discuss the situation there not as a local matter but as one that is indicative generally of the situation in the municipalities. In the first place I would point out that the tax rate in Toronto for the last year was 34·85 as compared with 18·5 mills in 1912. The taxation last year totalled $32,437,530, of which realty supplied $28,532,530, or approximately 93 per cent. I have no doubt hon. members will all agree that the burden of taxation on realty in Toronto and in other municipalities is getting beyond endurance; it is reaching the stage where the municipalities will be unable to carry the load. I say further with regard to real estate that with present values and under present revenue-producing conditions seventy-five per cent of the real estate in Toronto is not worth the mortgages placed upon it. This is a very serious situation.

In the last few years, from 1932 until last year, the assessment in the city of Toronto was reduced from $989,000,000, in round figures, to $906,000,000; in other words, because of the decrease in the value of real estate, the assessment was reduced by over $80,000,000 in that period, with the inevitable result that the tax rate had to be increased and the load of taxation again placed heavily on real estate. I would also point out the tremendous load that has been borne by the municipality so far as direct relief is concerned. I have statistics for the last fifteen years from 1922, showing that the total cost to the city of Toronto of unemployment relief was the huge sum of $17,765,452. It is becoming an intolerable burden for the taxpayers. So far as the relief situation is concerned, let me assure you that the people on relief in Toronto are not getting honey and cakes, so to speak; the level of the relief voucher is very low, and the city council has under consideration a motion to increase it by fifteen per cent. Hon. members will appreciate the almost impossible position in which the municipalities find themselves, particularly Toronto.

I must insist, however, that there is also a bright side to the picture. I was surprised to hear the hon members for Broadview, Danforth, St. Paul's and Greenwood say that the conditions were not better in Toronto last year than they were before. Why did they not refer to the same brief that was furnished by the department of public welfare? They should have looked up the figures to see what happened in Toronto.

Mr. HARRIS: I did not make the statement that the hon. member has just attributed to me.

Mr. FACTOR: If I read Hansard correctly I thought the hon. member was criticizing the administration, that he wanted a strong man of action to do something.

Mr. HARRIS: Quite so, yes.

Mr. FACTOR: Well, let me for the enlightenment of the hon. member give him some figures furnished by the department of public welfare of Toronto. With the permission of the house I should like to place this table on Hansard because it clearly indicates the enormous improvement that has taken place in 1937 as compared with 1936. The gross expenditure for relief for 1936 was in round figures, $8,765,000 and for the year 1937, $7,194,000 or a reduction of $1,570,000. Let us take the net cost to the city. In 1936 it was $3,139,000 and in 1937, $2,409,000, or a reduction of $729.339.

Mr. MacNICOL: Will the hon. gentleman read the figures for 1936-37, for December?

Mr. FACTOR: Yes. I shall be glad to do that. For December, 1936, the net cost to the city was $369,910 and for December, 1937, it was $266,766. Let me say this to the hon. member for Davenport (Mr. MacNicol). If he will cast his eagle eye over the last column of these statistics he will find a most encouraging picture with regard to the total number of persons on voucher and house of industry relief, including single men in hostels. I should like to read these figures by months because they show beyond question the steady, gradual improvement in Toronto as a result of policies put into operation by the present administration. In January, 1936, there were 100,415 people on relief and in January, 1937, 78,561.

This is the table:

1937
DIRECT UNEMPLOYMENT RELIEF
Gross and Net Cost, etc.

Month	Gross Expenditure 1936	Gross Expenditure 1937	Net Cost to City 1936	Net Cost to City 1937	Total Number of Individuals on Voucher and H. of I. Relief including Single Men in Hostels (Peak Week in Month) 1936	1937
January	$961,986	$768,578	$278,968	$268,578	100,415	78,561
February	927,512	755,521	255,985	255,521	100,529	78,425
March	980,956	778,265	269,418	228,265	97,864	76,028
April	868,301	716,893	287,124	236,893	90,915	73,171
May	650,098	572,163	223,504	172,163	81,941	64,812
June	615,898	483,385	212,863	163,385	74,327	56,730
July	568,944	461,498	194,639	151,498	70,728	52,237
August	560,694	436,104	215,530	136,104	68,767	49,833
September	555,240	439,494	222,240	139,494	67,669	48,928
October	641,634	508,902	294,481	188,902	66,178	50,531
November	675,381	582,385	314,631	202,385	69,915	54,819
December	758,410	691,766	369,910	266,766	74,873	61,877
Total	8,765,054	7,194,954	3,139,293	2,409,954		

Let me point out that between the months of January, 1936, and October, 1937, there was a fifty per cent reduction in the number of people on relief in Toronto, from 100,000 to 50,000. Will hon. members deny, then, that conditions have improved? I am not saying that we have reached Utopia; far from it. The problem of unemployment relief is still the greatest domestic problem facing the people of Canada to-day. As long as we have even 61,000 people on relief in the city of Toronto, as we had in December, 1937, we cannot sit back in smug self-complacency and say that we have solved the problem of relief or of unemployment.

Here may I interject a word in regard to the trade policies of the government. Much has been said by protectionist members from Toronto to the effect that this policy of expansion of trade has—I think they almost said—hurt the city of Toronto, if one interprets their remarks correctly. But I tell those hon. members that I know of no single cause which has been so effective in bringing about the reduction in unemployment in Toronto last year as the trade policies of this administration.

Mr. EDWARDS: Will the hon. member permit a question?

Mr. FACTOR: Certainly.

Mr. EDWARDS: Will he explain how any person will be given work if the goods are produced in another country?

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS: That is a pertinent question. How are you going to do it if the work is done in another country?

An hon. MEMBER: All exports and no imports!

Mr. EDWARDS: No, I do not believe in that.

Mr. FACTOR: I do not know of any work that Canadians are able to do in this country which has been diminished by the policies of the present administration. On the contrary I tell the hon. member, who comes from an industrial centre, that because of the trade policies of the present administration the purchasing power of the agricultural population has been largely increased so that they are able to buy more of the products of the industrial centres.

Mr. EDWARDS: I do not like to interrupt, but if the hon. member will permit, I tell him that ninety-five per cent of the production of the county of Waterloo is consumed within the county of Waterloo.

Mr. MacNICOL: Because the manufacturing towns prosper.

Mr. FACTOR: If the hon. members want to make a speech I shall be glad to listen to them.

Mr. EDWARDS: Pardon me.

Mr. FACTOR: I repeat that we must have a balanced economy. I am not prepared to have our secondary industries sacrificed in any

way, but I do say that the extreme point of view suggested by hon. members opposite will not do our national economy any good.

Mr. EDWARDS: That is all a myth.

Mr. FACTOR: Getting back to the problem of unemployment as far as the city of Toronto is concerned, it is clearly shown that there has been considerable improvement. But in all kindness to hon. members from Toronto I say that extreme and exaggerated speeches in this house will not do Toronto any good. They will not do the province of Ontario any good or do this country any good.

Miss MACPHAIL: Ontario is used to exaggerated speeches.

Mr. FACTOR: You mean from Toronto.

Mr. SPENCE: The hon. lady means from Queen's park.

Mr. FACTOR: This government has dealt fairly and equitably with the problem of relief. It has contributed seventy-five per cent of the cost of old age pensions, has assumed the cost of pensions to the blind—

Mr. SPENCE: This government is paying the seventy-five per cent now, but the government did not start it. Why take the credit for it?

Mr. FACTOR: This government is continuing to pay the shot, and it was this government which inaugurated pensions for the blind. The total cost of old age pensions and pensions to the blind in 1937 was $9,441,984. In the province of Ontario this government assumed the entire cost of supplementary assistance to unemployed war pensioners, which in 1937 amounted in that province to over a million dollars. This government is going to enact unemployment insurance. This government as indicated by a resolution of the Minister of Pensions and National Health (Mr. Power), is extending the War Veterans' Allowance Act to include relief of war veterans who have been in a theatre of war and who are not one hundred per cent physically fit. I ask this government that, in bringing down the estimates for the coming year, it cooperate to the fullest extent with the provincial authorities so that the taxpayers in Toronto and other municipalities may have their burden lightened.

Mr. MacNICOL: Only a change of government will do that.

Mr. STREIGHT: That will be a long time coming.

Mr. FACTOR: We have in the last few months been in a period of recession. I think the revenues of the country indicate that we are being affected by conditions in the United States, and, optimistic as I should like to be, I fear that for 1938 the relief picture may not be as pleasant as we all hope it will be. I therefore suggest that the government take this condition into consideration in making their estimates for relief for 1938.

I believe that the respective powers of the municipalities, provinces and dominion in regard to raising revenues to meet such obligations as arise from relief expenditures, while they may have been appropriate at the time of confederation, are entirely unsatisfactory in the light of present conditions. I believe that the government took a proper step in establishing the Rowell commission to investigate this problem, in order to furnish to hon. members of this house the information gathered by their investigations. There ought to be re-allocation of responsibility to meet present-day conditions, but surely the basis of any change must be accurate information, and the government have taken the initial step to obtain that accurate information. If the resolution of the hon. member for Broadview is adopted the effect would be to substitute a committee of this house for the Rowell commission. With all due respect to the qualifications and abilities of hon. members of this house I maintain that the members of the royal commission are far more suitable, far more able, and perhaps have far more time and greater capacity to undertake an investigation of this kind, and to furnish the necessary information, and I feel certain that the time is fast approaching when, based upon the information gathered by the royal commission, this administration, which I know will be in power for the next few years to come, will take the matter into consideration and so adjust conditions as to meet the problem that we are discussing this afternoon.

May I conclude by saying to all members of this house that it certainly is not in the best interests or to the advantage of our country at this time and on this occasion to snipe politically, or indulge in carping criticism of the actions of the government. This is a time for unity. This is a time for accord among all those who have the interests of our country at heart. Tremendous problems face us to-day, and the only way we can hope to solve them is, first, by having a thorough understanding of them, and, second, by unanimity in an endeavour to solve them.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, though this resolution is brought forward by a Conservative member from Toronto I feel that we in this corner cannot let the opportunity pass without expressing our support of the prin-

ciples involved in it. These principles, I think, are two; first, that direct relief should be regarded as a federal responsibility, and second, the need for constitutional reform. Again and again we have urged these principles.

First with regard to constitutional reform, it is quite true that there is a special commission investigating the relations between the dominion and the provinces, but that would not preclude a thorough study of the situation by a committee of this house. In his closing words the last speaker suggested that we had to have a very thorough knowledge of the situation. I think that is true, and while we are having committees dealing with all sorts of subjects there is no real reason why a committee of this house should not deal with the urgent problem that is before us to-day. Suppose the Rowell commission does report in the course of another year. What then? It will lay before us a certain amount of information. It may make certain recommendations. It is then for the government to adopt the report and the recommendations. We have had a good many royal commissions in the past which have cost the country a great deal of money and which have made very thorough investigations, but this government has taken no action on those recommendations. Suppose this commission comes back and reports that there should be radical changes in the British North America Act. Is it possible that this government would recommend those changes? For years we have been recommending such changes as being absolutely necessary, yet nothing has come of the matter. This year the government is asking for one simple amendment, to facilitate the passage of an unemployment measure. That in itself is anticipating what the royal commission may recommend, and I am afraid that, like a great many other things, this particular matter will be held up.

Almost daily we are blocked in this house by jurisdictional disputes. I was in a committee yesterday where this same thing came up, as it comes up again and again. We all know that the House of Commons can do practically nothing because of this trouble over jurisdiction. In the meantime the people are suffering; the country is suffering. Why should we let another parliament pass by without taking some action? Why should not we in this very parliament, instead of seeking one little amendment to the British North America Act, claim the right to amend the act as we see fit? Until some government is courageous enough to take some such action, I am afraid various social measures are not going to get very far.

Now we come to the main question, that of federal responsibility for direct relief. I would point out that, as everyone knows, to-day unemployment differs radically from the unemployment of twenty or thirty years ago. To-day unemployment is not due primarily to local causes. It may be that there is still a small amount of unemployment which is due to individual incapacity, individual shiftlessness, laziness and so on, but we all recognize that the great mass of unemployment to-day is due to general causes, great national causes, in fact world causes. Everything in the way of improvement in the situation, according to the last speaker, is due to the actions of the Liberal government; but everything in the way of depression is due to the policies of the United States, or something else. I submit that we need to get away from that kind of party argument. Whatever government is in power is going to have difficulty with the unemployment question as it exists at the present time.

I do not intend to-day to burden the record with a mass of figures. I would refer hon. members to the statements that have been submitted by the province of Manitoba or by my own city of Winnipeg. I do not think we need go to the submissions of other provinces. The conditions prevailing in my own province and especially in my own city are almost desperate. I am not however making a plea merely on that local ground, because we are more or less typical of the whole of Canada, though undoubtedly the west is more seriously affected. I suggest that the difficulty to-day is to no small extent due to the tariff and trade policies of this country, and let me say that, despite all the protestations of the Liberal party, tariffs have not altered very materially under the Liberal regime. The trouble is due to financial policy, for which this dominion government is primarily responsible, and to our foreign policy. And when we have large numbers of the people unemployed because of the policies of the dominion government, I care not whether they are the policies of the Conservative government or of the Liberal government, the least the dominion government can do is to assume responsibility for the effects of those policies. That is the ground for pressing this resolution.

This year, Mr. Speaker, I think more than in any other year I have been in parliament, I have been almost obsessed with a sense of the futility of the whole business, with a sense of frustration. I look around this house and recognize the faces of a great many people I have come to know during the years I have been here. They are splendid men, men who

are kind, thoughtful, and ordinarily intelligent. And yet this problem has been with us year after year. We have had it, in acute form, for nearly ten years. What are we doing about it? We are puting it off from month to month and from year to year. I require all the courage I can summon to get to my feet on the floor of the house this year. There are about seventy members present. I would not say it is not worth while to talk to seventy people; but what is going to be accomplished by talk? One can put forward the best arguments of which he is capable; one can enter upon the record large masses of statistics, but what do they avail?

The government has a huge majority, and there is nothing to prevent its meeting the needs of the people—nothing whatever. And yet I charge that, speaking by and large, the government has done very little since it was elected, nearly three years ago—very little. When we look at the program placed before us at this session, what does it amount to? The biggest thing, so far as the common people are concerned, is the unemployment insurance measure. But does anyone imagine it is going to go through? And if it does go through, it will touch only the very fringe of the problem of unemployment.

There is the situation we face. The government has a huge majority and yet it does practically nothing. Further than that, it is using its majority to prevent measures being effectively brought before the house. What has happened? There was a division on the address in reply, and since that time there has been no division of the house. Steadily, steadily, steadily, whether a question is of importance or of very little importance, the government has adopted the tactics of either adjourning the debate, when a matter is a very ticklish one which, if brought to a vote, might cause an inconvenience, or on the other hand, of talking it out. I presume that will be the fate of the resolution now before us, and of almost every other resolution hon. members may present this session. That means, in turn, that a great many resolutions which at least some of us thought would be important are being shoved aside. I would not mind so much having private resolutions pushed aside, if the government were doing something along these important lines, but it is not. I think it is time the country as a whole recognized the fact that this government is not only proposing to do nothing, but also is determined to implement a certain policy of "hush, hush" which prevents parliament being the forum it ought to be.

[Mr. Woodsworth.]

This kind of thing is a danger to democracy. All along we have boasted that constitutional, parliamentary means afforded the best way in which to bring about reforms. If I were in the position of many a poor unemployed man to-day, do you imagine I could be persuaded to wait, wait, wait, until parliament helped me out, or until some commission reported favourably, and parliament took recommended action? I do not believe it. I do not wonder that there are crimes committed. I am not advocating crime—and I do not want anyone to put that in my mouth—but I say I do not wonder that desperate, unemployed men commit crimes. I do not wonder a bit.

Nor do I wonder at the development of fascism in some parts of Canada. If we are not going to get action from a so-called democratic government, men are not going to go on suffering forever. They are going to take action in some other way. I say that any government which has postponed constructive action, as this government has done, is a menace to democracy in Canada.

I think of the large groups of out-of-works I have met. I have no doubt many hon. members meet similar groups in their constituencies. Sometimes I imagine that because some of us are trying to represent labour we meet more than our share of these people. We see them in homes of refuge, in camps, and on the streets. A haphazard way of treating them has been going on for eight or ten years. The men are either getting desperate or, on the other hand, are becoming so hopeless that they will never be of any use to the country.

I am thinking particularly of the youth. Again and again we have had inquiries as to what is to be done for our youth. Recreational projects have been brought to our attention. But when I see a young fellow of twenty, twenty-three or twenty-five years who has never worked and never will work,—if this condition continues much longer he will not be capable of working—I urge it is a desperate situation. These men are not trained to work. In time, they have not the disposition, and never will work. If there were only fifty, a hundred or a thousand of these young men perhaps we might not feel that the condition was serious, but there are tens of thousands of them, and the best we have hitherto been able to do for them has been to send them to a camp where they receive a meagre amount, and where they engage in what they themselves know to be a dead-end

sort of vocations, if they may be called such. They are at jobs which lead nowhere, and they know it.

I shall not enter further into the situation to-day. From time to time we have advocated various constructive measures. We believe that if a man is out of work, through no fault of his own, the state has the responsibility of giving him a decent living—not a pittance, and not charity. I do not ask that that decent living should be given without his contributing his part. When I think of the statistics which were read to us a few days ago respecting housing conditions in almost all our cities in Canada, I conclude that there is work enough to do. There is plenty of work to be done in Canada, and I advocate housing because I do not know of any program which would put a larger number of unemployed to work, or which would benefit a larger section of the public.

What can we do about it? Does the government purpose putting on an extensive housing campaign? We have not heard of it. Again we hear, "Where is the money to come from?" This morning in the banking and commerce committee we were told by an expert from the United States that there was great difficulty to-day in finding fields for investment. Certain classes of people are able to amass wealth, and their savings are so great that they do not know how to invest them in regular enterprise. That situation has developed in Canada as well.

It is obvious that nothing short of some considerable redistribution in national income will bring about a desirable condition. Why not accomplish it by means of taxation? Again and again we have urged in the house a heavier income tax. I do not see why the tax should not be higher in the higher income brackets. Then, the inheritance tax, I think, has never been used by the federal parliament. There is no reason why the dominion should not use it, despite the fact that some provinces are using it.

The other day a very estimable gentleman died leaving a fortune of $2,000,000 almost entirely to his own family. There have been several deaths recently from which we have come to know of the considerable fortunes which have been piled up by a few individuals in our midst. Giving due credit to these men for their ability and all the rest of it, the opportunity to amass a large fortune to-day is granted by the state. There is no earthly reason why at least a portion of these great fortunes should not be taken back and utilized for the good of the less fortunate members of the community—none whatever.

It was some years ago that I read in a pamphlet dealing with the inheritance tax published by the British labour party this little phrase:

Naked man came into the world and naked he should go out again.

There is a great deal of truth in that. Let us make provision for the immediate needs of the dependants of the man who passes away, but let us not seek to perpetuate these fortunes which really mean that the rest of the community is under tribute to those who inherit. Although the government may talk out this resolution this afternoon, although it may continue to move the adjournment of the debates on the various motions which we bring forward from time to time, these are only temporary ways of saving its own—

Miss MACPHAIL: Hide.

Mr. WOODSWORTH: Yes, its own hide, as the hon. member for Grey-Bruce (Miss Macphail) suggests. Those are only temporary ways of, shall I say, sliding by without dividing the party and without raising any great hostility in certain sections of the country, but I do not think such tactics can be regarded in any sense as indications of true statesmanship. As I said earlier, to neglect these pressing, vital social problems is to endanger that democracy which I think we all hold dear.

Mr. J. A. MARSH (Hamilton West): Mr. Speaker, I listened very attentively last night to the Minister of Labour (Mr. Rogers) when he was replying to several hon. members representing city constituencies. In rising to speak to-day, and it will be but briefly, I am actuated only by a deep concern for the man who wishes to fulfil what I would say is the third most fundamental material thing in life. Perhaps you may not agree with my sequence of ideas, but I would say that the first is to get married, the second is to have a family and the third is to own a home, pay for it, live in it and keep it regardless of all the adversities to which the average man is subject.

May I presume that we are all agreed that a nation of home owners is a contented and happy nation. I was reading the other day that the people of a certain country not far removed from us spent more last year on radios than they spent on the purchase of homes, and that they had spent several times more money on the purchase of automobiles than on the acquiring of homes. I do not think that is the condition in Canada, and I would be very sorry if it is. I submit that if citizens in Canada are to preserve and keep their homes and if the young man is to fulfil

the ambition of his boyhood to own a home as a sanctuary for himself, his wife and his children, some tax-alleviating legislation must be passed to make that possible.

It has been said, I think truthfully, that the building trades are the backbone of prosperity, and that the product or products of the building trade is real estate from which is extracted the bulk of our taxation. The burden of relief in our municipalities has been soaring since 1930. Because of increasing tax rates and assessments which have been consistently too high, we have placed on the home owner a burden of taxation that he cannot bear up under. The poor home owner is bowlegged and humpbacked from trying to carry this burden. This condition has been caused by a frantic effort on the part of the municipalities to get revenue from the only source available, that is from real estate taxation and other levies in the way of licences and levies on the business man.

Several hon. members from Toronto have pointed out that in that city real estate bears ninety per cent of the burden of taxation. In Hamilton real estate bears 88·4 per cent of the burden of taxation. The result is that the home owner and the small business man are bearing almost the total burden of relief. What incentive is there for a man to own his home? What incentive is there for a young man to fulfil the dearest ambition of his life, and practise one of the fundamental principles of citizenship?

To some extent municipalities are restricted in their ability to tax. The province has wider powers and the federal government, through this House of Commons, has access to the widest field of all in the way of taxation. The mayors of various cities waited upon the provincial government and also upon the Minister of Labour of this government, and the result was that the province said: We will cooperate with you, we will try to do something for you, we will try to shoulder a greater part of your load. However, I understand that this is a step which this government, through its Minister of Labour, does not care to take. The result is a stalemate and the municipalities are faced with the probability of having to shoulder more than half the cost of relief for 1938.

I was interested last night in hearing the Minister of Labour say:

> I fully agree with what has been said to-night regarding the plight of the small property owner. From the time I first came into active contact with the relief problem in Canada I have been impressed with the unfairness of a system of relief which presses as heavily as it does upon those who own real estate. But I would suggest to hon. members that the only solution to this problem does not lie in an increase in grants in aid payable by the dominion to the provinces. It is within the power of the provinces to increase the grants to municipalities, over and above the amount received from the dominion government. It is also within the power of the provincial governments to confer wider powers of taxation upon the municipalities within their borders.

The province has promised fuller cooperation, and inasmuch as this is a national problem, I suggest that we regard it as such and do something to relieve the property owner. I wonder if we realize the extent of unemployment and relief payments still obtaining in our cities, despite what we hear of increasing revenues and trade and commerce. I am not saying that conditions are not slowly getting better. The employment figures are mounting gradually, but I am speaking about the municipality of which I know most, the city of Hamilton. In December 1937 we had 2,606 families on relief, and now the number of families is 3,002, an increase of 400 during the last two months. Last year we paid out in direct relief $1,319,918, of which the city's share was $345,222. Of that amount the city of Hamilton budgeted $100,000 and funded the balance of $245,222. I do not want to tire the house with figures, but I will briefly present some items to indicate what we have paid out in relief in various forms. Last year there was expended: for food, $721,400; fuel $166,748; clothing, $59,835; shelter, $308,713; medical services, $50,075, and for a land settlement scheme, purely an experiment in the city of Hamilton with the surrounding community, but one which I believe has definite possibilities, $12,372. There are some other charges, which at the moment I cannot earmark, amounting to $775, or a total of $1,319,918 for direct relief.

Now, the point is that the cost of relief did not improve materially during the year. In January, 1937 we spent $134,011; in December of the same year, $126,546—in other words, approximately $7,400 less, an improvement of eight per cent. My submission is that so small a decline in expenditure cannot be regarded as a real improvement.

I desire now to say just a word or two about the ability of the property owner in Hamilton to pay his taxes. In 1930 arrears of taxes in our city amounted to $1,107,710 against an assessment of $165,440,160. Seven years later what do we find? We have tax arrears to the amount of $2,488,555 on substantially the same assessment, or a trifle less, namely $164,127,200.

What does it all mean? It means that the home owner cannot continue much longer

to shoulder his present burden of taxation. Neither can the business man. I implore the Minister of Labour and this government to look into this matter more thoroughly, to hear again the mayors' association and see what can be worked out in the way of help. When a citizen is interviewed by a municipal official in the department of welfare, and that official, the guardian of the taxpayer's money, is trying to solve his problem and allow him as much as his regulations will permit, he ends by saying, "It is all we can do for you." I am sure that this citizen and the official alike are reminded of those words in the bible, "And they all with one consent began to make excuse." One said, "I have married a wife, and therefore I cannot come." Another said, "I have bought five yoke of oxen. . . I pray thee have me excused." I submit that this eternal "passing the buck" from the municipality to the province, from the province to the dominion, and back to the municipality is something that must stop if people are to retain whatever vestige of trust they have in democratic government.

I do not agree with the resolution in its entirety. I believe that if we do not hold the municipality liable for a percentage of the cost of relief, that relief cannot be properly administered by the municipality. The municipality should have a stake in this relief debt. But I contend also that the province and the dominion should be responsible for at least seventy-five per cent of the load and thereby lessen the burden now carried by the homeowner and the taxpayer.

Mr. E. J. POOLE (Red Deer): I have no intention of speaking very long, for I know there are other hon. members who are anxious to say a few words. But I am interested in the first part of this resolution—more so than in the rest of it—that is, where it asks the government to consider making direct relief a federal responsibility. I contend that relief is a federal responsibility, but it is one which the government has not assumed. If we review the history of relief since 1930 and compare the debts of the cities, we shall find that there has been a tremendous increase in the mill rate of our cities throughout the country. At the same time the desire has been repeatedly expressed in the house to put people back to work. If there is anything which has had a retarding effect upon the building of homes, it is the rising mill rate. Because of the tax burden people are discouraged from building houses for themselves. Since 1930, when relief became a problem of national scope, thousands have lost their homes. It was never intended that the cities should carry a burden of relief as we know it to-day, because it is something unusual, the result of economic paralysis and of conditions which never before existed. In the early days of the depression the obligation should have been taken over by the federal government.

I intended to quote this afternoon some figures showing the rise in various mill rates throughout the dominion, but so many figures have been given and so little time remains that I believe I should leave them out at this time. I wonder how many members in the house have any idea of the humiliation which is suffered by people who are in receipt of relief. How many hon. members can realize the mental anguish which these people have suffered and are suffering to-day? It is time that the house should no longer sit back with a complacent attitude but should become informed of the facts of the way our people are living.

I wish to place on Hansard a letter which was received to-day by a friend of mine in this city. It has to do with a case of a young married couple. They had one child, and there was soon to be another one. These people were compelled to apply for relief. They applied here; they applied there; no one would accept the responsibility. I believe the Red Cross organization gave them a couple of dollars; that is all they have received in the last two months. When they applied again, some days ago, they were told that they should go to Montreal. The husband had been in this city for a year; his wife was an Ottawa girl; and all they received was a ticket to go to Montreal. I now have a letter written by them from Montreal, and I ask hon. members to try to picture the mental anguish these people are suffering because of the apathy of parliament in face of this, the greatest of our national questions, human life and human happiness. The letter reads as follows:

> A few words to let you know that we arrived at Montreal at 5 p.m. and had to rent a room. I just came in now and it's eight o'clock. I have been walking all the day and we are in a very desperate position.
>
> I went to the government social service where Miss Joyce sent me with a note and they sent me to the identification cards office. They won't give me my card unless I would be in a position to give them the exact names and address and date where I used to stay in 1933 to 1938. I told them I could give the name and address of the landlord where I used to stay two years ago and could get them somebody to prove that I was here five years ago,

but I told them I couldn't easily remember the exact name and address where I stayed the last five years, so they told me I could not get my identification card—

And incidentally relief.

—unless I gave them the exact information.

Then I went to the relief office and there they told me that it was impossible for them to give me my relief without an identification card. I was very discouraged to hear that from a supposedly human voice, and I tried to explain it wasn't fair to do that to a woman and child who only wanted something to eat and a place to sleep.

There is an interesting part of this letter from which I gather that this young man lost his temper. I do not blame him. He got out of patience with all the red tape he had to go through and he was threatened. He was told that he was nothing but a communist and that if he did not get out the police would be sent after him. I contend, Mr. Speaker, that the day has come when the administration of relief should be taken out of the hands of nincompoops and placed in responsible hands, the hands of people who will recognize relief as a permanent problem and not as something that will be got rid of by increasing foreign trade. I could tell hon. members stories that would astound them, stories of the humiliating experiences of people on relief, of girls who are being told that they are good looking and do not need relief. That is happening in Canada, the country we are so proud of, as living in a Christian state. I wonder how much Christianity there is in a system which condemns people to this sort of thing, when they are knocked about from pillar to post and no voice is raised in their name.

With regard to the second part of the resolution, calling upon the government to consider urgent public works, I have heard some hon. members refer again in this debate to the question of money. We all agree that money is the most significant question in the house; it is the instrument with which we have to deal with ninety per cent of our social evils, and without which we can do nothing. But I have wondered in the last few years what has happened to the Minister of National Defence (Mr. Mackenzie). In the election of 1935, when he was aspiring to the office he now holds, he declared that the Liberal government would issue $500,000,000 of new currency. Now, however, we have nothing but silence from him; we have no money.

If there is one problem which must be tackled in Canada it is the problem that faces us with regard to the great mass of the people. To-day this government should be busy organizing the youthful and intellectual resources of the country in an effort to give our young people a place in society. That should be the first job of the government, more important than any other job they have before them. Are we going to pussyfoot around this question in the next five years as we did in the last five, or are we going to take the bit in our teeth and go places? The solution to the problem of unemployment is wrapped up with the question of money, rather than with foreign markets. If the Minister of National Defence would rise in his place and propose that parliament should issue currency to the extent he proposed a few years ago, not half a dozen men would be opposed to him.

We are facing a strange paradox. We have everything in the world, natural resources, willing hands, intellectual resources, everything; yet we are destroying the most valuable asset of the country, our Canadian youth, because this government has not the intestinal fortitude to handle the problem. I know that many members of the government, many of those sitting on ministerial benches, have not had experience with many of these people of whom I am speaking. What is wrong with the people on relief is not simply that they have not a job; the most significant feature of the problem is the soul-destroying conditions under which they live. We must give them a new hope; we must let them know that they are a part of Canadian society.

If I could do anything to shake the government and to lift it out of the rut it is now in, I would surely do so. Someone says "Ha, ha." I wish some hon. gentlemen would cast aside, for six short weeks or so, whatever riches they have; I wish they would divest themselves of their cloak of membership, and go through the country without anything and look for a job. Let them endeavour to find work and they will learn at first hand what the problem of the mass of the people really is. No one can afford to say "Ha, ha" in the house. I say to hon. gentlemen: It is your responsibility as members of this federal house; it is my responsibility, and I believe that the joint efforts of all parties could produce something within one week. We need homes. In the west we could stand some more oil development. Why cannot these things be done? Is it because we cannot sell things to some foreign power?

When people speak to me about depressions I try to grasp just what they mean, for the word implies at least something that is beyond our control. I believe, however, that throughout the world to-day the people are waking

up to the real circumstances of our economic existence. If these poor people who depend upon this government to bring in some legislation to provide them with an opportunity to live, are waiting for expanding markets—well, heaven help them, because they will never be reabsorbed into our industrial life.

One hon. member spoke to-day of the desire of Canadian youth to be home owners. That is, of course, natural; we should all like to be home owners. But there are a great many fewer home owners to-day than there were in 1930. Many homes have been lost in tax sales. Many people who invested $2,000 or $3,000 in $5,000 homes have lost their investment. They were thrifty people, but they were caught in the economic maelstrom. To-day they are on relief.

Recently I read of an investigation that was carried out in the city of Ottawa with regard to chiselling among people on relief. Is it not astounding—trying to prove that somebody who is getting less than nothing, if you can imagine that, is chiselling? If we were to concentrate our attention for a moment on those who are chiselling, not on a little margarine or butter, but by thousands, for instance, insurance companies, big corporations, if we only had a few more investigations into their operations, this would be appreciated by the Canadian people. To talk about men on relief buying motor cars, or a radio, it is astounding. All one has to do to see the impossibility of it, is to look at the report. In any event every man on relief is entitled to a radio. Why should he not have a radio? Every Canadian is entitled to the luxuries we can provide in this country. Goods are made that people may use and enjoy them. Our economic system should be so organized that we can distribute all we can produce. On the one hand the government talks of overproduction, while on the other people cannot get the goods. They are called relief recipients. We would not have overproduction if these people had plenty to eat and plenty to wear.

But I shall be asked, where are you going to get the money? The Minister of Finance (Mr. Dunning) differentiates between the kind of money he has and the kind to which I am referring. I wonder if the minister ever saw the kind they have in the cities, which they refer to as vouchers, which they give to relief recipients, and for which the city of Calgary pays interest to the Bank of Montreal. The words of Professor Soddy can be used to describe money; it is anything, no matter what it is made of or why people want it, provided it has arrived at the degree of acceptability that people will exchange goods and services for it. It is not wealth in itself. If we have wealth in this country, it is the duty of the government to remove the obstacles in the way of distributing that wealth.

I heartily endorse the resolution of the hon. member for Broadview (Mr. Church). I only hope that too many resolutions of this kind are not talked out this session. Let us try to do something to solve this national problem, not evade it. The problem cannot be talked out of existence. While some hon. members may not agree with the theory which this group presents to the house, remember that what is facing the country to-day is not a theory, but a condition with which the government must deal.

Mr. A. M. EDWARDS (Waterloo South): I do not intend to detain the house at any great length on this subject, but I want to say a few words in commendation of the resolution proposed by the hon. member for Broadview (Mr. Church). The ground has been covered fully by hon. members who have preceded me, and I do not propose to follow their observations, I cannot follow the hon. member (Mr. Poole) who spoke last very closely, but I do find myself in some considerable degree of sympathy with the hon. member for Winnipeg North Centre (Mr. Woodsworth) in his remarks, and also the hon. member for Brant (Mr. Wood).

A great deal of attention has been paid to the city of Toronto and its troubles, but I think we are not here to legislate for any one centre in particular. Toronto is a large centre; it might be called my market town; but it seems to me that much of the improvement which government speakers claim has taken place in different municipalities, particularly industrial, is due in no small measure to the careful management and intelligent grasp of a serious situation by municipal councils. I have followed a great deal of the work of several municipal councils, not only of the city or municipality in which I live but also of the county councils, and for years the policy of those councils has been one of retrenchment, and an endeavour to pay as they go. A great deal of the difficulty in which some municipalities find themselves to-day, causing them to call on governments to assume their load, is due in no small measure to reckless spending in days gone by. However, that is water under the bridge. I am sure the Minister of Finance (Mr. Dunning), if he could draw money out of an inexhaustible well, would be very glad to cooperate with the Minister of Labour (Mr. Rogers in relieving this situation. But take as an example the city of Galt in which I live,

for the first four years of the depression we raised each year one-third of the amount required to relieve unemployment. It was a three-way payment plan; one-third was raised by private subscription; one-third came from the province and one-third from the federal government. During those four years not one cent of the money required to take care of the unemployed was charged against municipal taxes. To-day what do we find? We are able to reduce our mill rate without increasing assessments.

I want to commend the earnest endeavour of the Minister of Labour to relieve this situation. I speak particularly of the housing plan and the home improvement plan; they have taken up a great deal of the slack in our district. I do not know of any year for the last eight or ten in which we had as much home building as during the past year. And that can be enlarged. As we all know, there is no line of industrial endeavour which gives as much employment to labour as building. I am told by contractors that if you trace a building back to its elements, eighty-three per cent of the cost goes for labour. So that anything done to enlarge the building program would assist materially in lightening the burden of unemployment.

Mr. DUNNING: About eighty-five per cent is labour in the home improvement plan.

Mr. EDWARDS: And about eighty-three per cent in new housing.

Another matter of which I want to speak for a moment is the plan on which these funds are distributed. I do not want to say anything derogatory to municipal control. Perhaps it is all right; I have no knowledge. But if I may be allowed a personal word, in Galt we appointed a committee of patriotic citizens who handled our unemployment relief funds during the four years of which I have spoken. They did this very satisfactorily. Careful attention was given to all cases; they were carefully investigated and relief was paid in a satisfactory way where required. In distributing relief through the province and down through the municipality, without implying anything, I think there is a temptation there, and with some people the temptation to play municipal politics is very strong. So that if relief can be handled, particularly where large amounts are involved, by an independent committee at the final distribution of the funds, that I think is very desirable indeed.

Now, to get back to the resolution, we all know it is nearly impossible for the municipalities to carry this burden of relief. The taxation on real estate to-day is so heavy that building houses for rental or investment is almost prohibitive. No one can get even a modest return on the investment. There is plenty of money for this sort of investment if only people were assured of even a modest return. Under these circumstances the burden of unemployment relief appears to be a national burden. It should come back in its entirety to the federal government. I hope the municipalities will cooperate to the extent of reducing their requirements to the minimum by handling relief funds very carefully.

I am going to offer a suggestion to the Minister of Labour as to how this relief problem could be handled. I do not mean distribution. My idea is this, that interference in private business over a period of years has been greatly responsible for the situation we are in to-day. For the past twenty years Anglo-Saxon America has been playing the game of government in business. Whether it has been wheat marketing, railways, mortgaging or whatever else you wish, when private enterprise got into any difficulty whatever the solution was to put the government in. Well, we have had an opportunity to see just how that has worked over quite a period of years. That has been a commonplace, as I say, for a long time. That is what happened in Canada in connection with radio. After five years of experimenting with radio I do not think I would be amiss in saying that conditions are in a rather bad state. I was going to say they were in a sorry mess, but I would hardly go that far. Instead of achieving the goal of Canadianizing the air, the Canadian Broadcasting Corporation coast to coast network, built at considerable cost to the Canadian taxpayer, is now being used as a cut-rate pipe line to give much prized supplementary facilities to American broadcasters in the Canadian market.

The point I wish to make is that the only way to take up the slack is to encourage private industry, to stop continually sniping at successful private business, and to aid business in every legitimate way possible. I feel sure that if this is done, the heavy fog of unemployment and unrest will rapidly pass away. I was going to speak last night, but did not have an opportunity to do so. I find to-day however, that I am in very distinguished company in what I have said. According to this morning's Gazette, Sir Josiah Stamp, speaking in New York last night, said something very much along the same line, and I should like to read just two or three extracts from his remarks. He was addressing the British Empire Chamber of

Commerce in New York city and went on to state what were the key factors of the economic outlook, outlining four points bearing on the recession, which he described as "convenient to watch". Three of the points were mechanical and the other psychological. The first mechanical point was that of credit and monetary facilities. The second mechanical factor was the effect of taxation, and I suspect that the effect of the undistributed profits tax appeared there. I want to say here that another very great load on industry to-day is the heavy sales tax we have in this country, which of course has to be taken up by the consumer. The third mechanical factor was the industrial question, and he believed that the best prosperity was secured by allowing business to make good profits. This may seem terrible to some members of the house, but this is what he said:

> The higher profits are, the more rapid expansion and employment . . . but if costs, particularly wage levels and hours of working, are forcibly thrown out of relation with prices the margin of profit is in jeopardy, and restriction of production is inevitable.

Then he went on to discuss the psychological feature of it, and said:

> My fourth factor is psychological. So long as business is afraid of what the government will do it can make no long distance plan for development and political fears are the worst enemies of economic progress.

If I have any suggestion to offer to the government to-day, it is this: I am not going to say that the government snipes at business, but we have a good many people who continually snipe at business not only in the house but on the platforms throughout the country. It is a popular thing to do, and it is a very easy thing to do. But private business, under proper supervision, is the right idea for handling this unemployment situation, and I do not think there is the least doubt but that given a chance it will gradually work us out of that difficulty. Just to give an idea of the different businesses that have been socialized—I am not going to say anything about that at the present moment, but I might say—

Mr. DUNNING: That would be very interesting.

Mr. EDWARDS: Well, then, I shall say it. I am going to read a list of businesses which different governments have stepped into, and I think, after I read this list, even the most skeptical will be convinced that the experiments in socialization have not only been costly to the taxpayers and to the country as a whole but put an unfair handicap and brake on private enterprise of the type which has been the major force in the development of this dominion. The Financial Post of February 5, 1938, published this list of businesses which have been invaded by the government. I certainly gasped when I saw it, and I do not think very many people fully appreciate the way private enterprise has been encroached upon. The list is as follows:

Light and power	Hotels
Ferry boats	Express
Steam railways	Restaurants
Radio broadcasting	Market gardening
Steamships	Meat packing
Sale of liquor	Electric railways
Farming	Mortgage lending
Coal mining	Insurance
Magazine publishing	Amusement parks
Grain elevators	Telegraphs
Gas supply	Warehousing and storage
Street cars	Printing
Saving banks	Land development
Construction	
Telephones	

I think that is a very surprising list.

Mr. DUNNING: Some of it is a bit far-fetched, is it not?

Mr. EDWARDS: Perhaps it is, a little.

An hon. MEMBER: Restaurants?

Mr. EULER: The parliamentary restaurant.

Mr. EDWARDS: We are operating one here, and under the Canadian National system we are operating hotels in which there are restaurants. I think it is a proper list, though one may have to use one's imagination a little in connection with a few of the items. But there is the list. Without criticizing, or wishing to criticize in any way, may I point out that I think the more we encourage people to invest their money in private enterprise, under supervision, the better it would be. I do not mean that they should be permitted to do just as they like. I served six months on the price spreads commission, and I certainly learned something in that time. I have offered a plan to absorb the unemployed to a large extent, and I trust the government will take action in regard to it.

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, this is the second discussion in two successive days on unemployment and relief. Another opportunity to debate the same question was afforded in the debate on the address in reply to the speech from the throne. For my own part, I welcome these opportunities for discussion of this vital question of unemployment and relief, whether the discussion assumes the form of criticism of government policies or whether, as rarely

happens, it assumes the form of commendation or encouragement for those who at present have responsibility in the matter.

This afternoon various references have been made to the gravity of unemployment at this time. I am sorry the hon. member for Winnipeg North Centre (Mr. Woodsworth) is not in his seat. He spoke with great vehemence, and with evident sincerity, but it did seem to me, that he spoke in unduly pessimistic terms. What he said would certainly have been much more appropriate two years ago than it is to-day, and even more appropriate two years before that. I fully agree with hon. members that much still remains to be done before we can feel that we have successfully attacked the unemployment problem. At the same time there has been a very marked improvement in the past two years, and particularly in the past twelve months.

I am sure some hon. members must have seen the reference to unemployment in the speech from the throne delivered yesterday in the province of Nova Scotia. That speech from the throne contained the significant reference, with respect to unemployment, that whereas in 1933 there were 75,000 people on relief in Nova Scotia, at the present time the number has been reduced to 6,500. I am sure that record cannot be wholly duplicated in any other province. At the same time it is a clear indication that there has been a decided betterment in the general situation. Even in the province of Manitoba, where the member for Winnipeg North Centre resides, there has been a substantial improvement in employment during the past year. I am sure he is fully aware that farm relief in that province has almost disappeared, and that there has been a consequent reduction of unemployment in the city of Winnipeg. I believe it is correct to say that in the past year in the city of Winnipeg the relief lists have been reduced by about 1,000 families.

Manitoba is the great distributing centre for the western provinces, and its capacity to absorb the unemployed is limited very largely by the crops raised throughout the whole of western Canada. I quite understand that in the western provinces there has not been as great an improvement in unemployment as there has been in the eastern provinces, which respond more quickly to an improvement in economic conditions. After all we must acknowledge that what has taken place in the drought areas of western Canada—and this applies as much to the period in which the previous administration held office, as it does to-day—has been due not to any failure of government policies but rather to a very serious climatic disturbance. It was a blight, as it were, which for a long time has deprived those provinces of the best part of their natural income. Therefore I doubt if we shall really know the extent to which we shall be able to absorb those who are unemployed until we have once more had normal crop conditions in western Canada. I mention this because I think it is clear that the betterment in the situation in western Canada would have been far greater if there had been normal crops in Saskatchewan.

I do not purpose at this time entering further into the statistical position. On the address in reply I did take occasion to place before hon. members, in statistical terms, the improvement in connection with unemployment which has taken place during the past year. It does seem to me that while hon. members—and quite fairly, from their point of view—criticize the government upon its failure to bring about policies capable of solving the problem completely, they ought at the same time—and I am sure they do—take keen satisfaction in the thought that there has been steady progress in the past two years. We must all hope that this progress will not suffer any serious interruption, and that a year from now we may be able to look back upon a similar period presenting the same grounds for satisfaction and encouragement.

The discussion this afternoon has touched particularly upon two questions. The resolution however covers a wide field and has permitted a rather discursive debate. The first point raised by a number of hon. members relates to the grant in aid paid by the dominion government to the provinces for relief purposes. I shall deal only briefly with this matter, because I touched upon it last night. May I repeat that in the allocation of the grant in aid to the various provinces we have made every effort to avoid anything in the way of discrimination. From time to time the suggestion has been made that the eastern provinces have been prejudiced by the fact that it was necessary to make special expenditures in the drought areas of Saskatchewan. As far as the grant in aid of $19,500,000 is concerned, may I emphasize once more that we did not charge that grant in aid with any of the expenditures in the drought area. I believe if we had done so the eastern provinces might fairly have said that there had been discrimination against them. I have put the facts squarely before the house in order that there may be no misconception upon that point.

While I am on that phase of the question I should like to refer to a suggestion made not long ago that, in view of the situation which had developed in western Canada, the east ought to assist willingly to carry the west. That is a sentiment to which I believe no one on this side of the house would take exception, and it is one which is shared generally by hon. members in all groups. I did feel however, when the statement was made, that we ought also to recognize that if now the east is called upon in some measure to support the west, the west has also in a large measure supported the east. May I point out that the period of great industrial development in the eastern provinces coincided in point of time with the building of the Canadian Pacific railway, and the rapid settlement of the western provinces. I am quite sure that those who are engaged in manufacturing or merchandising will confirm my statement when I say that not only were many factories established in that period in Ontario and Quebec, but there was a great expansion of factories which formerly had a much more limited market. As a matter of fact, this applies not only to Ontario and Quebec but also to the maritime provinces. In my own former home in Nova Scotia I can think of at least half a dozen factories that came into existence to meet the great demand for commodities coming from western Canada in that rapid period of settlement which occurred at the beginning of the present century. So when we speak of the east supporting the west at this time, I believe we should constantly keep in mind the fact that western Canada has provided a market which made it possible for eastern industries to attain the position they now occupy.

Let me turn to the terms of the resolution before the house. As I mentioned a moment ago, it covers a great deal of territory, but I think it will be generally agreed that the major proposal is that which relates to the financial responsibility for relief. I should like to say that the hon. member for Broadview has been entirely consistent in the position he has taken upon this question. So far as I am aware he took this position when his own party was in power. But perhaps he will permit me to remind him that consistency is a fickle mistress; keeping company with error as well as with truth. I believe the hon. member for Broadview is consistently wrong when he suggests that the dominion government, at this time and within the present structure of our constitution, ought to assume the entire financial responsibility for relief. I say that for a number of reasons.

Let me deal first of all with the cost involved. Despite what has been said by some of my hon. friends in the far corner of the house, this government is obliged to count the cost with respect to any proposed expenditure. It is within the power of municipalities to appeal to the provincial government for grants in aid; it is within the power of the provincial governments to appeal to the dominion government for grants in aid, but the dominion government can appeal to no one for grants in aid. In connection with its increased expenditures it can go only to the taxpayers of this country. That is a consideration which we are bound to keep in view.

The actual cost of the proposal contained in this resolution would be in the neighbourhood of $100,000,000, taking the relief problem as it exists at the present time. The cost would be much beyond that if the numbers on relief equalled the numbers in 1933, during the worst days of the depression. If this government assumed the responsibility for that additional expenditure it would have to consider how additional revenues could be obtained by taxation. There are two taxes which have a certain degree of flexibility. One is the income tax and the other is the sales tax.

I think it is quite clear from the returns made by the income tax branch of the Department of National Revenue that it would be quite impossible to raise this additional sum by increasing the taxes imposed on the higher brackets of incomes. No doubt some additional income could be obtained in that way—so far as I am concerned I would prefer that it be done in that manner—but there is no doubt that if we endeavoured to obtain this revenue it would be necessary to go into the lower brackets of income where we would be taxing once more the small homeowners who have already been seriously affected by the heavy burden of relief in our municipalities.

Mr. STIRLING: Does the minister mean $100,000,000 annually?

Mr. ROGERS: Yes, $100,000,000 annually to cover direct relief and relief works.

Mr. HEAPS: What percentage is the government paying now of that $100,000,000?

Mr. ROGERS: I cannot give my hon. friend the exact figure, but it would be roughly thirty per cent.

Mr. HEAPS: If it is thirty per cent, it would appear that there is not much difference between what is paid now by the federal government and what was paid a few years ago.

Mr. ROGERS: There is, because the total amount expended was greater some years ago.

Mr. HEAPS: Earlier?

Mr. ROGERS: Some years ago, when the expenditures for relief ran far in excess of what they are to-day.

Mr. HEAPS: Do I understand the minister to say that to-day the government is paying a greater share than was paid four or five years ago?

Mr. ROGERS: I should say it is not greater than in 1933, but greater than what the government was paying in the latter part of 1934. Certainly that would be so after August, 1934, when the old system of the dominion government paying thirty-three and a third per cent of the total cost was superseded by the present system of grants in aid. For example, the dominion contribution in November, 1935 to the province of Ontario represented twenty per cent of the total cost of relief in that province. We are paying much more now than we did in 1934 and in most of 1935.

Mr. HEAPS: I want to find out if the proportion now borne by the municipalities is greater than it was in 1934.

Mr. ROGERS: It is really not possible to answer that question, as I have not those figures here. My hon. friend is also aware that the percentage borne by the municipalities varies not only within the provinces but as between the provinces.

Mr. TUSTIN: How do they arrive at the amount of the grants in aid? Is that worked out on a percentage basis in connection with each province?

Mr. ROGERS: The amount is based upon an estimate of what will be required for the forthcoming year. A lump sum is allocated by this parliament to the various provinces on the basis of those unemployed, qualified by the financial position of the province. It is not possible to reduce that to the terms of an algebraic formula, but looking back over the years I believe we would be justified in saying that the allocation among the provinces has been fair and reasonable, having regard to the problem itself and the financial position of the several provinces.

If we did not have recourse to the income tax to raise the money required by the dominion government taking over the entire cost of relief, we would have to consider the sales tax. I think it will be agreed that here again we would be burdening that group of moderate wage earners who represent, so to speak, the working force of the country as a whole. Not only that, but with an increase in the sales tax we would be providing another deterrent to a revival of the building industry.

I do not propose to develop these points any further. I have brought them out simply as an illustration of the difficulties that would confront the dominion government in assuming the entire financial responsibility for relief within the present structure of the constitution. I use those words deliberately because it has been agreed generally, both by the preceding administration and the present government, that so far as present constitutional responsibility is concerned, the primary responsibility lies with the municipalities, while the responsibility in a secondary sense lies with the provincial governments. The dominion government goes in to assist the province when the problem has reached the point where it is beyond provincial resources. I do not suggest that an improvised method of dealing with the situation has been wholly satisfactory. We are doing our utmost to improve it from time to time, and the agreements now before the provinces are designed for that purpose. I believe that when these agreements are fully understood and accepted by the provinces, we shall be able to remove some, at any rate, of the abuses which now exist in the administration of relief.

But there is also another reason why it would be most unwise for the dominion government at this time, as suggested in this resolution, to assume the entire responsibility for relief. That reason lies in the fact that the relief problem at present is not wholly an unemployment problem. Relief lists in all provinces have been heavily charged with charity cases and unemployables. That, I am quite sure, is within the knowledge of any member of the house who has had close acquaintance with the development of relief during recent years. It is clear, therefore, that as the relief problem is contracted, this constant element of unemployables becomes relatively greater in the total. It is greater to-day than it was a year ago. It was greater then than it was the year before that. So this proposal means in effect that the dominion government at this time is asked not only to take over unemployment relief but also to take over from the provinces the care of unemployables. Now, if the dominion government had not already accepted some

measure of responsibility in relation to unemployables, there would be better reason for a proposal of this kind at this time. But, as it has already been pointed out this afternoon, the dominion government, through old age pensions, through pensions for the blind, through special care for unemployed pensioners, through provision which is now in contemplation for an extension of allowances to unemployed war veterans, has already taken over from the provinces a very considerable part of the burden of unemployable persons. That being the case, I certainly feel it would be a great mistake for the dominion, in advance of a further review and readjustment of its relations with the provinces, to assume this new burden and to do so, as proposed here, "notwithstanding the provisions of any law, statute, usage or custom to the contrary."

There is a further reason why this proposal would not be satisfactory at this time.

Mr. THOMPSON: May I ask the hon. gentleman a question?

Mr. ROGERS: Certainly.

Mr. THOMPSON: Has the government decided that it has authority to continue raising money by income tax from the people of Canada? I remember, when Sir Thomas White first placed—

Some hon. MEMBERS: Order.

Mr. ROGERS: Mr. Speaker, I have no objection to the question and I shall be glad to answer it, but I have only five minutes.

Mr. THOMPSON: Sir Thomas White made the statement that it would be only for a few years, and he doubted their authority to impose it.

Mr. ROGERS: So far as I am informed, there has never been any question as to the legal competence of the dominion parliament to impose an income tax.

Mr. THOMPSON: For war purposes.

Mr. ROGERS: Oh, no.

Mr. EULER: It is in the British North America Act.

Mr. ROGERS: The British North America Act gives parliament the power to raise money by any mode or system of taxation. It is true that certain assurances were given by Sir Thomas White at that time, but even he did not anticipate the way in which dominion expenditures would pyramid during the war years.

Mr. THOMPSON: The premier of Ontario says we have no authority.

Mr. ROGERS: I wish to refer finally to the reason why the dominion government should not at this time under existing conditions assume entire responsibility for relief. I refer to the question of administration. This resolution does not make any reference to administration, but I would like hon. members to realize that under present conditions the administration of relief is conducted almost exclusively by officials of our municipal governments. They have gained a very wide experience in these last years, and many of them administer relief without additional recompense of any kind. If the dominion government assumed responsibility for relief, it is clear, I think, that this would mean of necessity the setting up of a self-perpetuating organization for administration and at the present time there is no branch of the government that is equipped with an organization suitable to deal with relief across the entire dominion. The one organization which would be useful in this connection is the employment service of Canada, but that employment service is not a national employment service in the strict sense of the word. Contributions are made to it by the dominion government, but the actual control of it lies with the provinces.

Not only that, but if the mover of the resolution does not suggest that the dominion should take over the cost of administration of relief and does mean that the dominion should pay the entire cost but leave the administration to the municipalities, it is clear that we shall be entering into a most vicious arrangement. Under that arrangement municipalities, instead of having two or three dollars from outside to one of their own to expend, would receive all that was required for relief purposes without at the same time being responsible in any way for raising that money by taxation. I believe we have had sufficient experience in this country with the abuses of a system of that kind to convince us that, whatever the errors of the past may have been, we certainly ought not to repeat and extend them at this time.

Finally, as to the proposal for constitutional reform, it does seem to me that my hon. friend who has suggested in the first part of his resolution that the dominion government should take over the entire cost of relief has, so to speak, allowed the horse to be stolen

and in the second part of the resolution is professing a willingness to lock the stable door. I feel there is a grave necessity for a constitutional revision and this whole question of relief and social service must play an important part in that investigation, but certainly, in advance of that investigation, it would be folly for the dominion government to assume this entire burden of unemployment relief, without any readjustment of powers or revenues of the provinces.

On motion of Mr. Euler the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 3, 1938

The house met at three o'clock.

CIVIL SERVICE COMMITTEE

CHANGES IN PERSONNEL

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

That the names of Messieurs Hartigan and Tucker be substituted for those of Messieurs Beaubien and Donnelly on the special select committee appointed to inquire into the operation of the Civil Service Act and all matters pertaining thereto.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DUFFIELD BUILDING, HAMILTON, ONT.

Mr. LENNARD:

1. Is the building known as "The Duffield Building" at Hamilton, Ontario, still leased by the federal government?
2. If so, what is the yearly rental of this building?
3. To what use is it being put this winter?
4. Is any revenue being derived from it?
5. What was the cost of maintenance for the twelve months ending December 31, 1937?

Mr. CARDIN:

1. Yes. The five year lease expires April 1, 1938.
2. $20,000.
3. Building presently vacant.
4. No.
5. $2,655.58.

KINISTINO, SASK., INDIAN SCHOOL

Mr. COLDWELL:

1. What was the cost of building the Indian school on the Kinistino Indian reserve, No. 91, in the Pleasant Dale municipality?

[Mr. Rogers.]

2. Were tenders called? If so, what was the amount of each tender?
3. To whom was the contract awarded?

Mr. CRERAR:

1. $4,962.13.
2. No.
3. Work done by day labour under direction of departmental engineer.

*SASKATCHEWAN RELIEF—FEED AND FODDER

Mr. NEEDHAM:

1. Was the direct relief in Saskatchewan, of feed and fodder for 1936 and 1937 up to April 1, cancelled?
2. If so, why were not farmers' notes returned?
3. Was the twenty per cent of rural municipalities' share also cancelled?

Mr. DUNNING: This question calls for information which is entirely the business of the province of Saskatchewan. It is not on record here, so far as I can learn.

AMALGAMATIONS AND MERGERS

Mr. THOMPSON:

How many corporations have been granted letters patent by the Secretary of State for Canada between the years 1921 to 1937 inclusive where powers were granted for amalgamation or merger of it with other corporations, or where powers were granted to it to acquire the business of more than one corporation or business then in existence?

Mr. RINFRET: 12,548 letters patent and supplementary letters patent have been issued by the Secretary of State during the period from January 1, 1921, to December 31, 1937.

The principal objects of each company incorporated are set out in the notice published in the "Canada Gazette" in respect of each incorporation. Each company incorporated under the Companies Act has, as ancillary and incidental to the purposes or objects set forth in the letters patent or supplementary letters patent, the power, unless such power is expressly excluded by the letters patent or supplementary letters patent,

to purchase or otherwise acquire and undertake all or any of the assets, business, property, privileges, contracts, rights, obligations and liabilities of any other company or any society, firm or person carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company. (s. 14 of "The Companies Act, 1934.")

Mr. Wegenast in his book on "Canadian Companies" (1931) at page 164 says:

It was formerly considered important that the charter should set out in detail every line of activity in which the company might wish to engage, and the enumeration of powers gradually assumed the more or less stereotyped forms which are to be found in Palmer's Precedents. These precedents were so uniformly

used as models that in 1907 the Ontario legislature incorporated them bodily in its Companies Act. . . . In 1924 a similar section was brought into the dominion act.

Similar incidental powers are conferred by the companies acts of nearly all the provinces of Canada.

It will be observed, therefore, that few applications for letters patent now ask specific authority in the letters patent in respect to taking over business of other companies, since such acquisition comes within the ancillary and incidental powers.

To examine the 12,548 letters patent and supplementary letters patent issued during the period indicated would require the services of a legal officer for many months, since the interpretation of the language used in the applications could not be entrusted to the regular clerical staff.

WILLIAM H. CALDWELL

Mr. LENNARD:

1. Was William H. Caldwell, inspector at the south pier, Burlington channel, until September 22, 1937, employed by the government for the remainder of the year? If so, where?
2. How many days during each of the months of October, November and December, 1937, was he employed?
3. How many hours a day was he employed, and under whose supervision?

Mr. CARDIN:

1. Yes, as inspector on the construction of the terminal wharf at Hamilton.
2. Twenty-six days each month.
3. (a) Eight hours per day; (b) Senior assistant engineer, C. C. Jeffery.

GOVERNMENT VESSELS—COAL

Mr. PELLETIER:

1. Has the government any vessels at the port of Sorel, or in use on the St. Lawrence river?
2. If so: (a) what are their names; (b) their use; (c) where is the coal used for fuel obtained; (d) from whom is it purchased; (e) how is it purchased?
3. Has the government ever purchased imported Russian coal for fuel on these vessels?

Mr. HOWE:

1. Yes.
2. Government vessels at Sorel or working out of Sorel: (a) Argenteuil, Berthier, Frontenac, Jalobert, Safeguarder, Vercheres; (b) Lighthouse and buoy service: Argenteuil, Safeguarder, Vercheres. Ship channel service boats: Berthier, Frontenac, Jalobert; (c) Mined in Nova Scotia; (d) Sorel, P.Q., Lavallee, Lachapelle, Cournoyer Ltee.; (e) By tender at points where there are more than one dealer; by agreed price otherwise.
3. No.

PORT OF CHURCHILL

Mr. PURDY:

1. What has been the cost to the federal treasury to date for developing Churchill, including the construction of wharves, sheds, elevators, etc.?
2. What has been the cost to the federal treasury to date in connection with aids to navigation for this port?
3. What has been the annual cost for each of the last three fiscal years for maintaining the various services at this port, including aids to navigation made necessary by its existence?

Mr. HOWE:

1. Department of Railways and Canals: To December 31, 1936,

Capital appropriations	$13,263,758 77
Income appropriations	77,120 91
Collection of revenue appropriations	713,519 85
	$14,054,399 53

National Harbours Board, 1937:

Capital	9,593 94
Maintenance and operation	140,889 61
	$150,483 55
Total to December 31, 1937	$14,204,883 08

2. Department of Marine:

Hudson bay and Strait to March 31, 1937	$4,178,506 58

(Includes Radio, Hydrographic, N. B. McLean, Meteorology, Aids to Navigation).

3. Department of Railways and Canals:

	Net.
1934-35	$171,095 47
1935-36	79,424 44
1936-37 (to December 31, 1936)	49,085 34
National Harbours Board: 1937	$140,889 61

(These expenses are included in the total given in answer to Question No. 1, above.)

Department of Marine—Radio, Hydrographic, N. B. McLean, Meteorology, Aids to Navigation:

1934-35	$109,668 11
1935-36	110,522 18
1936-37	126,844 63

(These maintenance expenditures are included in the total of Aids to Navigation given in answer to Question 2).

FARMERS' CREDITORS ARRANGEMENT ACT—PEEL COUNTY, ONTARIO

Mr. GRAYDON:

1. How many applications were made by farmers in the county of Peel under the pro-

visions of the Farmers' Creditors Arrangement Act in each of the years 1934, 1935, 1936, 1937, and 1938?

2. How many of such applications were settled in each of the said years without reference to the board of review?

3. How many cases of Peel applicants were heard in each of the said years by the board of review?

4. How many of such cases are now awaiting disposition by the board of review?

5. Under the provisions of the said act, what was the total reduction in: (a) claims of secured creditors; (b) claims of unsecured creditors, with respect to applications made by farmers in the county of Peel in each of the above mentioned years?

Mr. DUNNING:

1. 1934, 1; 1935, 63; 1936, 40; 1937, 13; 1938, 13.

2. 1934, nil; 1935, 28; 1936, 21; 1937, 13; 1938, 7.

3. 1934, nil; 1935, 16; 1936, 17; 1937, 17; 1938, 1.

4. 4.

5.

	(a) Secured	(b) Unsecured
1934..	nil	nil
1935..	$ 9,968	$ 6,261
1936..	21,997	8,206
1937..	32,290	10,241
1938..	6,894	322

(Six cases not yet disposed of by official receiver.)

OLD AGE PENSIONS—QUEBEC

Mr. MALLETTE:

Since the Old Age Pensions Act came into force in the province of Quebec, what sums have been paid to the said province by the dominion government, each month?

Mr. DUNNING: Payments to the provinces of the dominion's contributions under the Old Age Pensions Act are made quarterly. The following amounts have been paid to the province of Quebec:

Old Age Pensions

As of March 31, 1937..	*$2,345,107 05
June 30..	2,597,524 70
September 30..	2,029,284 20
December 31..	1,874,485 58
	$8,846,401 53

Pensions for the Blind

As of December 31, 1937..	$ 8,321 12
	$8,854,722 65

*This amount covers the period August 1, 1936, to March 31, 1937.

[Mr. Graydon.]

QUESTION PASSED AS ORDER FOR RETURN

SOLDIER SETTLEMENT—FARMERS' CREDITORS ARRANGEMENT ACT

Mr. COLDWELL:

1. By provinces: (a) what was the original number of soldier settlers; (b) what is the present number of soldier settlers; (c) what number of settlers have abandoned their lands, given quit claims, etc.; (d) what number of civilian settlers purchased such lands; (e) what number of British families were settled by the board; (f) what is the number of loans fully repaid; (g) what number of properties is now in the hands of the board; (h) what is the total book debt of such properties in the hands of the board; (i) what is the total investment represented by the board's operations?

2. What was the total amount in dollars of concessions granted by various remedial legislation?

3. What are the actual ascertained losses on resale of security taken by the board?

4. How many settlers in each province benefited through dollar for dollar bonus plan, in each of the years of 1933, 1934, 1935, 1936, 1937?

5. (a) What is the number of applications by debtors of the board under the Farmers' Creditors Arrangement Act; (b) what is the total indebtedness dealt with; (c) what is the total write-down for each class of settlers; (d) what is the average reduction in debt in each class?

6. (a) What is the total number of properties on hand, with number leased in 1937, and number of properties unoccupied in 1937; (b) what is the number of properties that have reverted to municipalities and provinces under section 21 (a) of the act?

FARM IMPLEMENTS COMMITTEE

CONSIDERATION DURING THE PRESENT SESSION OF SECOND REPORT PRESENTED APRIL 8, 1937

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

That the second report of the special committee of the house, appointed on the 1st of February, 1937, to continue and complete an inquiry, begun by the standing committee on agriculture and colonization pursuant to a resolution of the house on the 2nd March, 1936, into the causes underlying the high prices of farm implements, with particular reference to the advance in prices in the year 1936, presented to this house on the 8th of April, 1937, be considered by the house during the present session of parliament.

He said: Hon. members will recall that in the 1936 session, by resolution of the house passed on March 2, the standing committee on agriculture and colonization was asked to inquire into the causes underlying the high prices of farm implements, with particular reference to the advance in prices in the year 1936. At the 1937 session a special committee of the house was appointed on February 1, to continue the investigation begun the year

before. The second report of the special committee was presented to the house on April 8, 1937. In view of the lack of opportunity for adequate consideration, concurrence in the report was not proceeded with. The house will recall that we were anxious to prorogue in time to permit hon. members to be present at the coronation ceremonies in the old country, and an undertaking was given by the government that if the request for concurrence was not pressed at that time arrangements would be made to permit of concurrence being asked for at the present session.

Consideration of a report tabled during a previous session is a new departure for the House of Commons of Canada, but there is however precedent for it in the procedure followed at Westminster. The citation in reference thereto will be found in Beauchesne, paragraph 659, as follows:

> By a motion made for that purpose in the British house, the report of a committee presented during a previous session has been taken into consideration.

The record will be found in the English journals, volume 86. I have in my hand a copy of what appears in the record of the journals. The propriety of the course I am proposing is also indicated in Bourinot, third edition, at pages 554-5, in the following words:

> It (i.e., a report) remains in the possession and on the journals of the house as a basis or ground for such further proceedings as may be proper or necessary.

Adoption of the present motion will enable the house to consider the report at an opportune time during the present session.

Mr. DENTON MASSEY (Greenwood): Mr. Speaker, in looking over the recommendations of the committee to which the Prime Minister (Mr. Mackenzie King) has referred one finds a recommendation concerning cream separators.

Mr. MACKENZIE KING: The time to discuss the report would be when concurrence is asked.

Mr. MASSEY: I was not going to discuss the report. I was going to direct attention to the fact that during the course of that investigation no evidence was taken from Canadian manufacturers of cream separators, yet one of the recommendations contained in the report is in connection with cream separators. My thought was that it might be desirable to have the committee meet again in order to take evidence on a matter with regard to which they did not take evidence previously.

Mr. MACKENZIE KING: I may say to my hon. friend that the report of the committee was made to the house. It was complete at the time concurrence was being asked last session. The undertaking at that time was that an opportunity would be granted at the present session to seek concurrence in the report, and I think the government is obligated to carry out that assurance.

Mr. MASSEY: It seems to me that before concurrence is asked the committee should complete its work. The committee may have figured that it had concluded its work, but since hon. members have had time to look through the report they may find that one of the recommendations is based upon wholly inadequate information.

Right Hon. R. B. BENNETT (Leader of the Opposition): The Prime Minister (Mr. Mackenzie King) is quite correct with respect to the suggestion that the report should stand over until this session. I think I suggested it to the hon. member for Melfort (Mr. McLean) when he began his discussion. The motion is not only highly proper but is one which this house is obligated to pass—not the government but the house as such; because we did agree to postpone consideration of the matter until this session.

The point that has been just brought to the attention of the house by the hon. member for Greenwood (Mr. Massey) is intended to intimate that there was no Canadian evidence taken with respect to cream separators. I suppose, like most of us, the hon. gentleman has received a communication asking if it would be possible to have that done. I think the government would be the first to realize that it is desirable that there should be no possible thought of unfairness with respect to a matter of this kind. I have no opinion to express with respect to the merits of it at all. I only know—and I fancy many other hon. members of the house are in the same situation— that I was advised as to what was the position, and wondered whether or not it would be possible for these Canadian producers to have an opportunity to present their evidence. The report could then be brought back to the house with the additional evidence, because in the report there is a recommendation that deals with cream separators.

It seems to me quite clear, however, that this motion must pass in the first instance. Then when the motion for concurrence is made it would be proper for that order to be discharged for the moment and for the report to be remitted for one sitting of the committee, or whatever may be thought

desirable, to enable the evidence of Canadian producers to be given as to the cost of production of cream separators.

Mr. MACKENZIE KING: With the concluding words of the right hon. leader of the opposition (Mr. Bennett) I am in full accord. The motion should be adopted now. When we are discussing concurrence in the report the house can decide what it may wish to do by way of having the report further considered.

Motion agreed to.

ELECTIONS AND FRANCHISE

QUESTION OF CONSIDERATION THIS SESSION OF FINAL REPORT OF SPECIAL COMMITTEE, PRESENTED APRIL 6, 1937

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I should like to ask the Prime Minister (Mr. Mackenzie King) if he would be prepared to move a resolution in connection with the report of the franchise committee, similar to the motion that has just been adopted in regard to the report concerning farm implements. The attendant circumstances appear to me to be exactly the same, including, if I am not mistaken, a promise made across the floor of the house that we would be given an opportunity to debate the report this session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend that the government intend to bring down a bill dealing with the question of the franchise, and on that bill there will be ample opportunity for the discussion my hon. friend has in mind. I can assure my hon. friend there is no desire in any way to restrict the discussion on franchise matters at this session.

Mr. NEILL: That is not exactly the same thing. If the report was discussed in the house it might be anticipated that it would result in some modification of the proposed bill, but if the bill is brought down the legislation is there and the government will see it through. The undertaking, as I recall it, was that the report would be discussed in the house, and not a bill founded upon it.

Mr. MACKENZIE KING: The bill to be introduced will be based upon the recommendations made by the committee last session, and the bill will be sent to a committee where its provisions can be considered. The committee will be at liberty to discuss all that is to be found in the previous report.

[Mr. Bennett.]

Mr. NEILL: Then the difference will be between a discussion in this house and a discussion in a small committee, which is not exactly the same thing.

Mr. MACKENZIE KING: There will be both; there will be a discussion in the committee and also in this house.

DIVERSION OF WATER

INQUIRY AS TO ANSWER TO QUESTION RESPECTING DIVERSION FROM HUDSON BAY WATERSHED

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): I should like to ask the Prime Minister (Mr. Mackenzie King) if I am to have an answer to the question I asked on February 3 in reference to the diversion of Albany river water. I note that the question is no longer on the order paper. Neither have I had any answer, but in the white book submitted the other day I did find a letter dated January 27, according to which the government apparently has consented to the violation of the Albany river water, and I should like to know if that is the government policy.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I can assure my hon. friend that I did not intentionally overlook answering any question of his. He has just used the expression that the government consented to the "violation" of river waters. Does he mean the diversion of some waters? The violation of waters is a new phrase. I must confess that I do not know what particular point has been overlooked in my hon. friend's previous question. I thought everything had been answered as satisfactorily as it could be answered. If my hon. friend would put another question on the order paper which will meet the exact point he has in mind I shall endeavour to see that it is promptly answered.

CANADIAN WHEAT BOARD

AVAILABILITY OF WEEKLY CERTIFIED REPORTS MADE UNDER THE STATUTE

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I should like to offer a suggestion to the Minister of Trade and Commerce (Mr. Euler), in view of the fact that the reports called for by the Canadian Wheat Board Act, which are made to him every week, for the purposes of a return would be very voluminous and very difficult to prepare. It would serve a useful purpose

and probably meet the requirements of us all if the minister would bring the originals, without filing them as sessional papers, but making them available for inspection in the office of the clerk of sessional papers. This would obviate the necessity of much copying, and would enable us to get the information sought in time to be of use in connection with measures which will necessarily have to be considered during the session.

Hon. W. D. EULER (Minister of Trade and Commerce): Mr. Speaker, I shall be glad to give consideration to the suggestion made by the leader of the opposition (Mr. Bennett). I should like to know whether he means that the reports for the past year should be submitted.

Mr. BENNETT: The statute provides that the board shall send to the minister every week certain reports certified by the auditors. Obviously we have a right to see those documents, and it would seem to me to be much easier if the originals were merely placed in the custody of the clerk of sessional papers, so that they could be inspected by all members of the house. I meant not only this year, but 1936 as well.

Mr. EULER: Reports are received by the minister each week, but I am not so sure it is the intention of the act that they shall be made available to all members of the house. However I am perfectly willing to consider the suggestion.

INTERNATIONAL LABOUR OFFICE

QUESTION AS TO RATIFICATION OF CONVENTIONS AND RECOMMENDATIONS RESPECTING MARINE MATTERS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, before the orders of the day are proceeded with I should like to ask a question of the Minister of Transport (Mr. Howe). In October, 1936, a special conference of the International Labour Office dealt with marine matters, and at that time certain conventions and recommendations were made. Has the government ratified any of the recommendations or conventions, or is it the intention of the government in the near future to do so?

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, I may say that the conventions and recommendations to which the hon. member has referred are being studied by officers of my department, and I assume some decision will be arrived at shortly.

SASKATCHEWAN SCHOOLS

INQUIRY AS TO ALLOCATION OF RELIEF FUNDS AS EMERGENCY GRANTS

On the orders of the day:

Mr. A. M. EDWARDS (Waterloo South): Mr. Speaker, I should like to ask a question of the Minister of Finance (Mr. Dunning) based on a telegram and several communications I have received. Probably if I read the telegram it will be self-explanatory. It is addressed to me, and is in these words:

> Canadian Teachers Federation is appealing to the federal members on behalf of Saskatchewan schools. Teachers are unpaid for months; equipment and supplies are inadequate; hundreds of children are being deprived of educational opportunities. Galt local secondary school teachers' federation requests your co-operation in securing emergency grants.

I appreciate the distribution of the relief funds in the manner in which it is done, namely through the provincial authorities, but I should like to ask the minister if there is not some plan by which some of this money could be diverted for this particular cause, or some suggestion made which would have the desired effect.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I think all hon. members have received circular letters respecting the plight of school teachers in Saskatchewan. In answer to the hon. member I can say only that assistance which has been given to provincial governments under the extraordinary conditions which have prevailed in several past years, has not carried with it any special provision for the ear-marking of the use of moneys for a particular class of the population.

It will be remembered, however, that during the last session special extra grants were made to certain provincial governments, and that those grants were made available following an investigation by the Bank of Canada into the affairs of the provinces. Among the matters reported upon, as a result of the investigation by the bank was, of course, the difficulties in connection with school and educational matters generally. So far as the government is concerned, those considerations entered into the determination on the part of the government to place before the house the provision which was voted as extra subsidy to the provinces concerned.

I believe I can say that the condition with respect to schools in Saskatchewan has improved, as a result of the assistance which was voted by parliament to Saskatchewan a year ago. The government is not unmindful of the present condition, which of course has been accentuated by the unfortunate drough‘

of 1937, and again, in connection with any special provision which it may be necessary to make, will have in mind the plight of the schools and school teachers. I do not think it will be likely that there will be any special ear-marking of any funds granted by parliament to go to a particular class of people within a province. Education is entirely within the control of the provincial authorities. Naturally the plight of an educational system might be taken into consideration by this parliament, in rendering assistance to a government, but it is questionable if we could go so far as to indicate that a certain proportion of the moneys granted by parliament should be used for the relief of a specific class when, as a matter of fact, the whole population are in very serious difficulties.

Mr. BENNETT: I rise to correct at least one statement made by the minister. In Saskatchewan we have been making a direct appropriation for one class of the population, and ear-marking it for that purpose, namely, for relief. It is so designated in the order in council—for direct and other relief. The order in council reads that the sum of so much is advanced for relief.

Mr. DUNNING: That is a purpose, not a class.

Mr. BENNETT: It is a class, the class who are on relief.

Mr. MACKENZIE KING: No.

Mr. BENNETT: That is perfectly obvious. I think it is scarcely a correct statement to say that we do not ear-mark, because we do ear-mark for that particular class. It is the same with seed grain.

Mr. DUNNING: The grants made to any province for relief are not made for the relief of any particular class in the province. They are made for the purpose of relieving any who may be in necessity, no matter to what class they may belong.

Mr. ROWE (Dufferin-Simcoe): There are grants for seed grain.

Mr. DUNNING: My objection is to singling out a particular class to get special consideration.

OPIUM AND NARCOTIC DRUG ACT

Hon. C. G. POWER (Minister of Pensions and National Health) moved the third reading of Bill No. 24, to amend the Opium and Narcotic Drug Act, 1929.

Motion agreed to and bill read the third time and passed.

[Mr. Dunning.]

INSPECTION AND SALE

PROPOSED REGULATIONS RESPECTING BINDER TWINE, SALT AND OTHER COMMODITIES

The house resumed from Tuesday, March 1, consideration in committe of Bill No. 30, to regulate the inspection and sale of binder twine and salt, and to establish weight of bushel for certain commodities commonly sold by the bushel—Mr. Gardiner—Mr. Johnston (Lake Centre) in the chair.

The DEPUTY CHAIRMAN: This bill was before the committee a few days ago, and upon that occasion certain sections were allowed to stand.

On section 4—analysts and inspectors.

Hon. J. G. GARDINER (Minister of Agriculture): The first subsection standing is paragraph (b) of section 4. On inquiry of the department I am given to understand that while they would prefer to have subsection (b) remain in the bill, if the committee considers it advisable to drop it, there would be no objection. The leader of the opposition raised an objection to that subsection.

Mr. BENNETT: I still think it is unsound.

Mr. GARDINER: I would agree to its being deleted.

Mr ROGERS: I would move that subsection (b) of section 4 be deleted.

Amendment agreed to.

Section 4 as amended agreed to.

On section 6—Labels on binder twine for sale in Canada.

Mr. ROGERS: I move:

That subsection 2 of section 6 be deleted and the following substituted therefor:

"Binder twine manufactured for export only and not to be sold for use in Canada need not be so labelled, but the onus of proof that any unlabelled binder twine is manufactured for export only shall rest upon the dealer, carrier or other person in whose possession the binder twine is found."

Mr. BENNETT: I think that meets the difficulty.

Amendment agreed to.

Mr. SENN: Is the minister satisfied to allow the onus as to alleged infringement to rest upon the retail dealer?

Mr. GARDINER: That was the point raised, and on going into the matter with the officials of the department I found that they had in mind the fact that to-day a good deal of binder twine moves by truck. They were taking out the word "carrier," but I

personally drew attention to the fact that that might be a very dangerous thing to do with so much twine being carried by truck. All this subsection says is that where a person is found carrying or has in his possession binder twine of this particular class, then he must show that it is going into export. We are trying to avoid the possibility of a carrier loading up twine, say at Saskatoon, heading towards the American boundary and then peddling it along the way. Under this subsection any officer would have the right to compel a person in whose possession binder twine is found to submit proof that the twine is going into export and is not being sold locally.

Mr. SENN: I do not think the minister gets my point. I was referring to subsection 1, which provides that the dealer shall be responsible for the number of feet in a ball and for seeing that it is correctly labelled, and that all the other requirements of the act are complied with. The dealer may be a retail merchant who would not know whether the twine was going to run six hundred feet to the pound, or whether it would be more than five per cent short. If twine is found in his possession that is over five per cent short, under this act he would be liable to a fine. I submit it would be practically impossible for a local dealer to discover that.

Mr. GARDINER: We discussed this point in connection with the penalty section, and finally came to the conclusion that there was no other way of dealing with the matter. While what the hon. member has said may be perfectly true, that a person who has twine in his possession cannot be certain of its length without measuring the twine, on the other hand a manufacturer cannot be certain that the individual who has the twine in his possession did not cut off a hundred feet. All that such a man would have to do would be to take the tag off the end of the twine, run off a hundred feet, cut it off and put the tag on again. It would not be fair to say that such an individual should not have some responsibility if action were taken. This section has been in its present form for many years, and, as I pointed out the other day, the penalty in connection with the tolerance of five per cent has been there since 1907.

Mr. SENN: Have there been any prosecutions of retail merchants under this section?

Mr. GARDINER: I would imagine that if there had been any prosecutions that is where they would have started, but I am not in a position to say just how many there have been.

Mr. CLARK (York-Sunbury): Would it be possible to substitute the word "maker" for the word "dealer" in that section? Binder twine is labelled by the manufacturer and not by the dealer.

Mr. GARDINER: "Dealer" is defined in section 3 as a firm or person manufacturing or importing or selling or having in possession for sale any binder twine.

Section as amended agreed to.

On section 14—Labelling on salt containers.

Mr. GARDINER: Subsection 2 reads:

No deficiency in the weight of the salt contained in any package shall be deemed a contravention of this act unless it exceeds five per centum.

When the question was raised the other day I said that there did not seem to be any provision for the five per cent tolerance in the old act. I am informed by the department that on a more careful consideration of the matter they do not think there is any real reason why this subsection should be included in the bill and I am quite prepared to have it deleted.

Mr. ROGERS: I move that subsection 2 of section 14 be deleted.

Amendment agreed to.

Mr. STIRLING: I also raised the question of block salt.

Mr. GARDINER: I have been informed that table salt and other kinds of salt that we were discussing the other day are covered by other legislation. In so far as salt is concerned this bill deals only with salt entering into the further manufacture of a product, and for that reason it is not necessary to deal with rock salt, block salt or any salt of that kind.

Mr. BENNETT: Where does that appear in the act? I was looking for it the other day.

Mr. GARDINER: It is covered partly by section 14 and section 15. The question was raised as to whether we should put those in.

Mr. BENNETT: Since the house has been in committee I have looked at one of these salt cartons to see how it was marked. It is said to contain two pounds net, but it is not marked on the end. Why should the producer be put to the expense of marking the contents of the package on the outside? Section 14 requires that each package shall be marked and it struck me that a double obligation was being put upon the producer that was unnecessary.

Mr. GARDINER: This bill does not deal with salt for human consumption. The type of container the leader of the opposition would be examining would be covered by the Food and Drugs Act. The regulations issued under that act cover all salt used for human consumption.

Mr. BENNETT: Is it proposed to add something to this bill to make that clear?

Mr. GARDINER: I am taking the opinion of the legal authorities in the department with regard to it. I understand that that is taken care of elsewhere.

Mr. BENNETT: The minister has had considerable experience and I think he will agree that in the absence of some words of limitation—I am not aware whether they are in other parts of the bill—this would apply to every kind of salt and every kind of binder twine.

Mr. STIRLING: Particularly as "carton" is mentioned.

Mr. BENNETT: As the hon. member for Yale says, the word "carton" is used. Section 14 reads:

> Every barrel, sack, carton or other container of salt sold or offered for sale in Canada shall be properly and correctly labelled or marked in a plain and durable manner with the net weight and, in the case of a barrel, with the net and gross weights.

The cartons sold in the store have upon them the statement that the net weight is two or four pounds, as the case may be, and there is a patent outlet at one end. The minister surely has not been advised by his legal officers that some words of limitation are not essential in the light of that section, which refers to all kinds of salt, and goes so far as to cover any form of container.

Mr. STIRLING: I understood the minister to say that the object of this act is to cover salt which is to be used to further degrees of manufacture. If that be so, should not that qualification appear in one of these clauses dealing with salt?

Mr. GARDINER: Yes, I think that is correct. I have been checking through to find if there is any reference to it, but I do not see any. Allow part II to stand, and go on with part III.

Section stands.

On section 18—Manner of determining a bushel.

Mr. GARDINER: The question raised the other day had to do with the description at the top of the list of items for which weights are given.

> In contracts for the sale and delivery of any of the undermentioned articles the bushel shall be determined by weighing unless a bushel by measure is specially agreed upon between the parties to such sale, and the weight equivalent to a bushel shall be as follows.

The question was raised as to why some items were not in the list. A further question was raised whether there should not be a different wording in the paragraph preceding the list. I am inclined to think that the leader of the opposition was correct in the representations he made the other day regarding it.

Mr. BENNETT: I was going to direct the attention of the minister, before he concludes, to section 19, which perhaps I may be allowed to take with section 18 in order to make my point. Section 19 contemplates sale by weight only, whereas section 18 contemplates special provisions being made for sale by measurement, other than by weight, and the two apparently have not been synchronized, to use a word which at one time was in great favour here. The truth is that section 18 should not, if section 19 is to prevail, contain the words "unless a bushel by measure is specially agreed upon between the parties to such sale," because section 19 provides:

> "Every person who violates any provision of part III of this act, providing that a bushel of any article shall be determined by weighing, and specifying the number of pounds such bushel shall contain, shall, for a first offence, be liable . . ."

I merely point that out in order that the minister may make his arrangements accordingly.

Mr. GARDINER: The suggestion is made that all of the words above the table in section 18 be struck out and that these words be substituted:

> Legal weights per bushel shall be as follows:

A simple statement.

Mr. STIRLING: That is better.

Mr. BENNETT: That makes it clear. It overcomes the difficulty, I think.

Mr. STIRLING: Why are certain commodities commonly sold by the bushel not mentioned here?

Mr. GARDINER: I am proposing to have added to this list, "potatoes, 60 lbs." That is the only item other than those here enumerated upon which at the moment sufficient agreement has been arrived at to enable it to be placed in this list. Commodities such

as turnips and beets and others have not been sold often enough by the bushel by weight to warrant the department's arriving at a definite conclusion with regard to them.

Mr. STIRLING: That applies to apples?

Mr. GARDINER: But the weight with regard to potatoes is pretty well established, and we propose to put it as 60 pounds.

Mr. STIRLING: What the minister has said applies to apples, it not being sufficiently determined what a bushel of apples weighs; is that so?

Mr. GARDINER: I am told that the variety of sizes makes it very difficult to determine weights for apples, and the same would be true of many other vegetables unless they are properly graded.

Mr. BENNETT: With regard to the proposed rewording of the paragraph above the table in section 18, I think it should read: "Legal weights per bushel of the undermentioned articles shall be as follows."

Mr. GARDINER: That would be more satisfactory.

Mr. DUNNING: I move that.

Amendment agreed to.

Mr. SENN: Does that mean that every transaction that is carried out between two parties in the disposition of any of these articles must be done by weight, or does it mean that by mutual agreement there may be sale by measure?

Mr. GARDINER: My understanding is that this will mean that if individuals enter into an agreement they may sell by measure or in any other way they choose, but that if once they get into court and a decision has to be made it will be made on the basis of weight.

Mr. BENNETT: There could be no court action under this statute, as it now reads, with respect to any sale other than sale by weight. I suggest that there should be struck out of section 19 these words: "providing that a bushel of any article shall be determined by weighing, and specifying the number of pounds such bushel shall contain." These words put a construction upon the preceding section, which is not desirable in a statute, and they describe the preceding section, which is not sound draftsmanship. All that is necessary is to provide that "Every person who violates part III of this act shall, for a first offence," and so on. Section 18 provides for the offence.

Mr. GARDINER: My right hon. friend's suggestion is, then, to strike out all the words between "act" and "shall."

Mr. BENNETT: Yes.

Mr. GARDINER: I suggest that the words "potatoes. . . . 60 lbs." be added to the list set out in section 18.

Mr. SENN: If you are going to add potatoes, what about turnips, carrots, and other vegetables of the kind? It is hard to determine what a bushel of turnips is. If they are large it takes only a few to make a bushel; if they are small you get a good deal more weight in a bushel. I suggest that turnips and carrots at any rate should be included.

Mr. GARDINER: That is why previously we had subsection (b) in the act. A great deal of objection was raised to the minister having power to determine what the weight should be in some cases, and we have removed subsection (b). I do not think it would be wise to put turnips in because the weight has not been sufficiently well established. The sizes vary a great deal and the grading of turnips has not been carried to the extent that it has been with potatoes. It would be difficult to establish a weight that would be satisfactory.

Mr. BOTHWELL: If you amend section 19 by striking out the words between "act" and "shall" you have to alter section 18 again; otherwise there is no sense at all, nor will there be any way of discovering what the offence is. If you had the words: "In contracts for the sale and delivery of any of the undermentioned articles," and added the words, "the legal weights per bushel shall be as follows," the section might be all right. But merely to put in the latter words is not sufficient because you do not presuppose a transaction or dealing in the articles in question.

Amendment agreed to.

Section as amended agreed to.

On section 19—Offence and penalty.

Mr. GARDINER: If I understand the suggestion made by the leader of the opposition, it is that the section should read: "Every person who violates any provision of part III of this act shall, for a first offence," and so on, the intervening words being struck out.

Mr. BENNETT: Yes, that is it.

Amendment agreed to.

Section as amended agreed to.

Progress reported.

SOLDIER SETTLEMENT

INTEREST RATE ON REPAYMENTS OF TAXES AND INSURANCE PREMIUMS—ARREARS OR INSTALMENTS SUBJECT TO BONUS PRIVILEGES

Hon. T. A. CRERAR (Minister of Mines and Resources) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Soldier Settlement Act for the purpose of reducing from seven per centum to five per centum the interest rate charged on certain repayments to the board of taxes and insurance premiums paid by the board in respect to soldier settlement lands in case of default on the part of the settler, and to provide further that the period during which payments of arrears or instalments at present subject to bonus privileges may be made, be further extended to the 31st day of March, 1941.

Motion agreed to and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. CRERAR: This resolution deals first with interest rates and second with the bonus privilege at present obtaining. Curiously enough there are two conflicting sections in the Soldier Settlement Act regarding rates of interest that shall be charged on advances made by the board for the payment of taxes, insurance and the like. For the last fifteen years or more interest on such advances has been charged at five per cent. The amendment is simply to put it beyond question that five per cent is the rate that should govern.

The extension of the dollar for dollar bonus privilege was first made effective in 1933 for a period of three years. In the session of 1936 it was further extended for a period of two years, so that the privilege lapses on March 31 of this year. It is not proposed under the amending bill to extend the bonus privilege to those who have been able to take advantage of it in the period terminating at the end of this month; the proposal is to extend the privilege for three years to those who, owing to crop failure or other reasons, have been unable to take advantage of it in the past. That is the purpose of the resolution and the bill which will be founded upon it if the resolution passes.

Mr. PERLEY: How many soldier settlers have been able to take advantage of the bonus scheme within the last two years?

Mr. CRERAR: The total number of soldier settlers who have been able to take advantage of the bonus is 8,451, and the civilian settlers number 4,278. Then there were 1,274 under the British families scheme.

[Mr. Bennett.]

Mr. CHURCH: Would it not be better to extend the period for five years instead of three? What would be the amount of the taxes, insurance premiums and so on, in connection with these eight thousand odd settlers?

Mr. CRERAR: If conditions three years from now are such that the scheme should be extended for a further period to settlers unable to take advantage of the bonus up to that time, it could be done by parliament later. I think on general principles it is not good policy to extend the scheme too far ahead. That was recognized when the legislation was first introduced in 1933. The period under which the bonus could be taken advantage of was fixed at three years. Later on, in 1936, legislation was brought down extending it for a further period of three years, and in another place that was reduced to two years.

I do not think I have the information at hand as to the total amount of advances given for the payment of taxes, insurance premiums and so on, but when the estimates of the soldier settlement board are before the house, all these details will be available.

Mr. NEILL: I regret that the wording of this resolution is rather misleading. I had some reason to believe that the legislation would be as indicated by the minister, but when I saw the resolution, which says—

—the period during which payments of arrears or instalments at present subject to bonus privileges may be made, be further extended—

—I took it to mean what it appears to convey, that the whole scheme would be extended. I took the trouble to ring up an official of the department, and I was told that it meant just what it says. Knowing how keenly interested the settlers in my district were, I so advised them. What they want is the rescission of interest, and I understand some soldiers' association in the neighbourhood of Lloydminster made representations to that effect. Be that as it may, I hastened to tell these settlers, who are in a desperate financial plight, that while the minister or the government was not in a position to give them what they asked in connection with the rescission of interest, at least the bonus would be extended for a further period, and I think I was justified in doing so. I am in the opinion of the house whether that language does not convey very clearly that the whole scheme would be extended. Now we are told that it is going to be limited to those who have not been able to take advantage of it; that those who have taken advantage of it, who are just as much entitled to it and who are just as much in need, are shut out.

If the government did intend to do what they now say, certainly it should have been so expressed in the resolution.

How many settlers does the minister anticipate will come under this scheme, leaving out the many who, as he says, have taken advantage of it already? To how many will it be applicable?

Mr. CRERAR: It will be applicable to all who have not taken advantage of it.

Mr. NEILL: Yes, I know that now, but can the minister not give us any idea of the number?

Mr. CRERAR: That is rather a difficult question to answer, because there are some soldier settlers who have taken partial advantage of the bonus. That is, they have not been able to keep up all their payments and remain in good standing as of, say, the 31st March of this year, but they have been able to make some of them. Those who have taken full advantage and those who have taken partial advantage number, as I said a moment ago, 8,451 soldier settlers out of a total of 9,459.

Mr. NEILL: Then there will be about a thousand to whom it will now be available?

Mr. CRERAR: No. It will be available to a thousand, but it will be available also to those who have not taken full advantage of it up to the present time. Do I make my point clear to my hon. friend?

Mr. NEILL: Yes. We are finding out more all the time. That is a different interpretation from the one we had a moment ago. I thought it was available only to those who had not taken any advantage of it.

Mr. CRERAR: No; I said to those who had not been able to take advantage of it, and that meant full advantage. Perhaps I may have been guilty of a lack of clarity, but I think I can assure my hon. friend now that all arrears as at the 31st March this year will carry the bonus privilege.

Mr. NEILL: Can the minister give us any idea as to what that number would be? Apparently roughly speaking there are about a thousand who have not taken advantage of it. Can the minister give us any idea as to the size of the second class, who have taken partial advantage of it?

Mr. CRERAR: I cannot at the moment. That would involve an examination of all the accounts.

Mr. McLEAN (Melfort): I should like to associate myself with the protest of the hon. member for Comox-Alberni. I do not know whether it is because he and I belong to the same race—

Mr. NEILL: The same tribe.

Mr. McLEAN (Melfort): —or tribe, that we are not able to read the language of the resolution clearly. To me it indicated just what the hon. member for Comox-Alberni stated, and I think that is the proper way to read it.

I should like to protest against this. I think it is unfair to those who, by sacrifice and industry, and in a desire to carry out their obligations to this country, have made their payments to a greater or less degree. If they are going to be shut out from any further benefits under this legislation it is most unfair. It is well known that this legislation has been tremendously costly to the people of Canada. Some civilians, as well as some former soldiers, have made no effort to carry out their obligations. They are being favoured and encouraged by this type of legislation to make no payments for as long a period as possible. It is well known that for many years now, and I think rightly, the government has been very chary about dispossessing any men of their land. I do not know of any cases where men have been dispossessed as long as they wanted to remain on the land. Some men alongside or nearby or in other places throughout the country made special efforts to make the payments. They made sacrifices, and did without the comforts they might have had, and for which they might have used their money, in order that they might take advantage of this plan. Some of them have made payments up to date, and some, in their anxiety to carry out their word, have paid ahead. They are going to be shut out from the benefits of this legislation, while those who made the least effort to meet the terms of their contracts are going to get the greatest advantage. When we contrast those who to-day or to-morrow might be selling farm produce at prevailing prices, and who receive the benefits of this legislation, with those who during the depression years sold produce at lower prices and made payments in order to get the advantage of the legislation and to live up to their contracts, we must conclude that it is unfair to withhold the benefits of the legislation from the class which did its best to pay.

Mr. PERLEY: I wish to associate myself with the last two speakers. I do not think there should be any limit to the soldier settlers to whom this scheme should be extended. There are very few who have not been taking advantage of it, and, as the last speaker has

said, there are many who, under desperate circumstances and driven hard, have deprived themselves of much they might otherwise have had, in order to take advantage of the scheme. They should not be discriminated against.

The scheme should be extended to all soldier settlers. I would be in favour of going even farther than that, and writing off some of the arrears of interest, without the bonus scheme, and giving these men a fresh start and fresh hope. I trust the minister will see fit to extend it to all.

Mr. REID: Did I understand the minister to say that those who have paid partly will come under this plan? Suppose a man has paid for one or two years and now finds himself unable to pay and to take advantage of the dollar for dollar arrangement; would he by this enactment be deprived of the advantage of that privilege?

Mr. CRERAR: No. This measure brings about a condition under which a soldier settler, whether fully or partly in arrears, can secure the dollar for dollar bonus privilege on all payments due up to March 31 of this year. I trust I have made that point clear.

As to the point raised by the hon. members for Comox-Alberni and Melfort, I agree the resolution might have been more clearly worded. When I read it I had some doubt. As the hon. member for Comox-Alberni knows, a resolution is prepared by the law clerks in accordance with the terms of the proposed bill. I discussed the matter with one of the law clerks and he assured me that while possibly it might have been more clearly drawn, it did in fact cover the bill in the terms I have explained. I shall not get into a legal argument with the hon. member, because he is far too good a lawyer for me.

When the suggestion is made that the extension should cover every soldier settler, and everyone who comes under the act, I think possibly it is going too far. The purpose of the present extension is to give some people, particularly those in the drought areas in western Canada, the opportunity to take advantage of the scheme for that period during which, had they had good crops, they would have benefited. Advantage has been taken of the plan to an amount totalling $4,409,000. It may be of interest to the committee to have before it the reductions already made in connection with soldier settlers.

First of all an interest exemption measure was passed in 1922 which conferred benefits estimated at $10,269,000. In 1925 there was a reduction in connection with live stock amounting to $2,927,000, almost $3,000,000. In 1927 there was a land revaluation which conferred benefits amounting to $7,479,000. In 1930 there was a thirty per cent reduction.

Mr. NEILL: That was on accrued indebtedness, including interest.

Mr. CRERAR: This was a straight reduction of thirty per cent on soldier settlement accounts as of October 1.

Mr. NEILL: That was not on principal; it was on the total indebtedness, including interest at that date.

Mr. CRERAR: Yes, but the amount of it was $14,921,000. Then in 1932 there was an interest remission of $2,344,000, in round figures.

Mr. NEILL: Was that one year's interest?

Mr. CRERAR: Yes; interest charges for the year October 1, 1931, to October 1, 1932. were remitted.

Mr. COLDWELL: Does that figure of $2,344,000 include soldier settlers and British families?

Mr. CRERAR: I think it covers all. That of course is the 1932 remission only, for the period I have stated.

Mr. COLDWELL: I have a figure from the department which gives the interest remission in connection with soldier settlers as $1,893,782.78.

Mr. CRERAR: I presume the balance would be on civilian purchases. I have just indicated the extent to which the dollar for dollar bonus has been accepted. Then under the Farmers' Creditors Arrangement Act the advantages secured amounted to $1,397,000. That is an estimated figure, but probably it is very close to the mark. This gives a total of more than $43,500,000 during the period.

While I have no doubt it is the desire of every hon. member, and probably of the people generally, that the soldier settler should be fairly and even generously treated, yet I think they have fared pretty well in view of these reductions which from time to time have been made. The dollar for dollar bonus was established in 1933 chiefly because of the low prices then obtaining in connection with all sorts of farm products. A comparison of prices of 1933 and 1937 shows that prices in all classes of farm products have increased from fifty per cent in some cases to over one hundred per cent in others. Consequently soldiers producing agricultural products for sale have been able to take advantage of these better prices. I do not think anyone

would argue, for instance, that if wheat went to $2 per bushel a soldier who had been able to take advantage of the dollar for dollar bonus up to March 31 of this year, and who has had the advantage of the other reductions I have mentioned, would be suffering any great hardship if he were asked to forego any further bonus privilege. That is what the legislation proposes.

Mr. PERLEY: What is the total outstanding liability at the present time?

Mr. CRERAR: The total liability at the present time is about $50,000,000, but that would include soldier settlers, civilian settlers, the three thousand family scheme and the New Brunswick family scheme.

Mr. COLDWELL: The difficulty about the dollar for dollar bonus, just referred to by the minister, is that many soldier settlers cannot take advantage of the act because they have had no crops upon which they could get a bonus.

Mr. CRERAR: That is the purpose of this legislation, to extend for three years the opportunity of taking advantage of the act.

Mr. COLDWELL: I realize that. Numbers of returned soldier settlers have spoken to me about their condition, and I have personally seen what they were up against. The condition of many of them in Saskatchewan is very bad. One group is particularly anxious to have an audience with the minister to discuss this whole matter. The figures would seem to indicate that ever since the first settlements were made, the number of soldier settlers has been decreasing. I find that the original number of soldier settlers was 25,017, while the present number is only 9,888. In other words, the number of abandonments and quit claims among the soldier settlers has amounted to 10,439.

Mr. CRERAR: That is the difference between the two figures?

Mr. COLDWELL: Yes.

Mr. CRERAR: A considerable number have paid up their obligations in full, I do not want to break into my hon. friend's argument, but my information is that at the end of the 1936-37 collection year a total of 5,369 settlers of all classes were fully paid up with no arrears, and of that number, 3,713 had actually paid that year's instalment and that of the previous year with the aid of the bonus. Since the inception of the bonus in 1933, 1,117 settlers have repaid their loans in full.

Mr. COLDWELL: I have these figures from the minister's department which perhaps I should give in full since they tell a different story. They are as of November 30, 1937:

Original number of soldier settlers		25,017
Present number of soldier settlers		9,888
Number of abandonments, quit claims, etc.		10,439
Number of civilian purchasers		5,790
Number of British families		1,790
Number of repaid loans		6,566
Number of properties on hand:		
Leased, 1937	1,882	
Unoccupied	708	
		2,590

I assume the present unoccupied land was land that should never have been settled upon; most probably it was extremely submarginal. If those figures present any picture at all—and I think they do—they would seem to indicate a high proportion of abandonments, quit claims, and so on. No doubt some of these people were quite unsuited to life on the land, but I would submit that the great number of abandonments would indicate that they have been unable to meet their obligations. After all, not more than one-half of any group of people should possibly find themselves compelled to abandon an undertaking because of their unsuitability.

I am in agreement with the principle that this legislation should be continued, but my plea is that the soldier settlement and other allied schemes should be reconsidered in the light of present day conditions. Large numbers of the settlers cannot take advantage of the scheme now presented to parliament. Even if they can take advantage of it temporarily, a large number will be in a hopeless position two or three years hence. I submit that parliament will have to consider the revaluation of the properties and the drastic writing down of the principal debt and the accrued interest, as mentioned by the hon. member for Qu'Appelle (Mr. Perley).

The picture presented by the soldier settlement scheme is only part of a general picture presented by all the settlement of western Canada. For several years I have been of opinion that before western Canada can be rehabilitated a very large part of the burden of debt will have to be removed from agriculture and the individual farmer. We have the power in this particular connection. This scheme, which I am supporting, may seem to be generous to those who are not familiar with the situation, but in reality it neither can nor does meet the requirements of the settlers.

Mr. NEILL: I am not prepared to quarrel with the minister's statement that these settlers have been fairly or liberally dealt with.

I think they have been fairly dealt with, and in some regards it may be said that they have been dealt with liberally. That may be the conclusion if the action of the government with regard to these settlers is compared with what would be taken by a fairly strict mortgage company. But we must remember that the mortgage company in making reductions would be animated by the same thought as now animates the government, namely, "We are not going to get anything; we will make this gesture of liberality by cutting the amount down in an effort to keep the men on the land." But the most cold-blooded mortgage company would do and has done that. Whether the government thought it was better business to do that than to turn the man off the land is another question, but I think the government has treated these men fairly.

I do not deny that, but we are dealing with a situation which looks much larger when expressed in the sums which the minister has mentioned than when expressed in terms of the number of settlers. Nevertheless, I think the treatment has been fair. For instance, take the land revaluation. I had a great deal to do with the initiation of that scheme, as it was in my district that a preliminary revaluation was first made by order of the government of the day. They sent a man named White out from the prairies, and his report revealed such vast and startling discrepancies between the real value and the value which very often these settlers had undertaken voluntarily to pay that the government realized that something would have to be done. The following year a revaluation was made.

Then we had the live stock reduction which was more than necessary. Cattle which had brought $150 to $175 in the boom days can be bought to-day, even when prices have improved a little, for $50. It is hard to realize the prices that were paid then as we have forgotten the boom which occurred in the prices of farm products in 1919 and 1920.

These men bought the land at a price based partly on the keen competition to get on the land and partly on the high prices of agricultural produce at that time. When they bought the land eggs were selling at a dollar a dozen and butter at a dollar a pound, and it was only a year or two afterwards that eggs were selling at sixteen cents a dozen. It takes a good deal of reduction in the value of land to make it possible to produce eggs at sixteen cents a dozen if that land was bought on a basis of eggs at a dollar a dozen. The cuts that were made in interest during the depression were only such as were reasonable so far as the debtor was concerned, because any creditor was glad to make these reductions. They were afraid that they would not get their money anyhow and that they would have to carry their debtors, and they made these reductions. As a matter of fact a good many private creditors did the same.

The minister has mentioned various large reductions, and that is true; but has anyone ever suggested that the reductions were not wholly justified? I would prove that contention in this way. After all these large reductions in land valuations were made, reductions which, if my memory serves me correctly, ran to about forty per cent on the average—it varied in individual cases, but the average was about forty per cent—on top of that and all the other reductions, after all that was done and times began to get better, then the Farmers' Creditors Arrangement Act came along and we find that the comparatively few men applying under it got from the government reductions amounting to over a million dollars. That shows that at present values, under the auspices of the Farmers' Creditors Arrangement Act, the valuations placed by the government are even now too high, because the Farmers' Creditors Arrangement Act cut them down to the extent of a million dollars or so.

An hon. member has suggested that we should have a revaluation; but I submit that we are having that revaluation now under the Farmers' Creditors Arrangement Act, and that will meet that part of the situation. But as regards the dollar for dollar agreement, my people and I myself, after looking into it, thought the proper scheme was rescission of interest. That, however, is evidently beyond the intention of the government. I would suggest, if it is not too late, that they should at least make this dollar for dollar bonus for three years longer apply to everyone. It will be disastrous and most inimical in its effect on the mentality of the men if for the first time the government's policy is to invite people not to pay their debts. At any rate, they are saying to the settlers, "Don't pay in full and you will be carried along." That is a bad suggestion. If a concession is to be given, it should be given to all; otherwise men are being encouraged not to pay their debts, and people these days do not need much encouragement along that line. I suggest that they should all be put on an equal basis. The man who has been industrious and thrifty, who has done without things that he would like to have had, whose family have denied themselves in various ways, all for the purpose of getting enough money together to take advantage of the dollar for dollar bonus,

should not be discriminated against, while another man sits down and does nothing but simply says—and this is coming to be the attitude more and more—"Oh, well, the government eventually will give us the land anyhow."

I would urge the minister, before the bill is brought down, to consider applying the concession to all settlers, at least to settlers who are of the same class and who are working under the same conditions. I do not believe that this would involve any very large amount, but I suggest that they should all be put on the same basis.

Mr. REID: Like the two previous speakers, I am sorry that I misinterpreted the proper wording of the resolution because I believed that it would apply to all soldier settlers. It is my opinion that the soldier settlement legislation, from its inception to the present time, under any changes which have been made in it, has had primarily in mind the prairie provinces. They have been the guiding influence when any change has been made in the act.

British Columbia is entirely different from Saskatchewan, and naturally its problems are different and, may I say, just as serious. As regards the figures quoted by the minister, it is true that considerable concessions have been granted; but over $25,000,000 have been paid out in cost of administration, while the total of collections has been around $55,000,000. For the unsuccessful carrying out of the act the blame cannot be laid entirely at the feet of the soldier settlers, and before I am through I shall make a suggestion in line with what has been done in New Zealand, where they were faced with problems similar to ours.

One hon. member has said that no soldier settler has been forced off his property. I disagree with that, because before I left home, the situation of one soldier settler was drawn to my attention. Let me give, by way of illustration, certain facts in connection with this man. He has paid something like $1,400, and his indebtedness to-day is $3,800. If he took advantage of the dollar for dollar bonus by a further payment of some $1,480, he would receive clear title to his property. As it is, however, he has paid in $1,400. If the board obtained the land and sold it, they would not get more than $1,300. Proceedings have been taken against him and under the act his only recourse is an appeal to the supreme court.

Let me ask the minister this question: If he were in that settler's shoes and had to pay about $1,500, having already paid $1,400, would he make that payment when he could obtain the same land for $1,300? If the soldier settlement board got possession of the land, that is all they could sell it for. I asked the administrator what he would take for the land, and he would not quote a figure. I then asked him whether he would take $1,200 or $1,300, and he said, "I believe I would." I replied, "You certainly would, because that is all the land is worth." That illustrates the position of soldier settlers in the Fraser valley.

I believe there is a great deal of merit in the New Zealand system, because there they have given security of tenure, at any rate as secure as it can possibly be made, to the soldier settlers. They have put through a revaluation scheme and a price is fixed for the property. For instance, if the man had his land revalued and he owed $1,000 to the government, no more interest would be charged on that amount as long as he remained on the land. He thus knows exactly how much his indebtedness will be to-morrow or the next day, or ten years hence; and if he wants to obtain title, or if his heirs after he passes on wish to obtain it by the payment of that $1,000, he or they will become possessed of that property upon so doing. This protects the man and gives him security of tenure.

Throughout the Fraser valley proceedings are being taken to dispossess some soldier settlers and this is very serious especially with eggs at seventeen cents a dozen, butter fat around thirty cents a pound and feed, heaven knows how high. The soldier settlers in that district are despondent, and we feel that all the legislation introduced and carried out under the soldier settlement board has been based upon the requirements of the prairie farms, no attention having been paid to soldier settlement in the Fraser valley, where men have to expend a great deal of energy and money before they can bring one acre under cultivation.

There is one point which I think the minister should take seriously into consideration. In British Columbia—and I believe the situation is the same throughout Canada—the soldier settlers are not allowed to sell a portion of the property in order to obtain the bonus. We have soldier settlers with forty, sixty, eighty and one hundred acres of land, part of it bush, part of it cleared. Part of it they will never be able to clear. But a prospective purchaser comes along and wants to buy it. The man may want to sell five acres off a portion which he does not use, but if he does sell he will not receive any benefit of the bonus. Personally I think that he should; that it would help him considerably; so long as it did not dispossess

him, but was done with a view of helping him to make his payments, he should be allowed to sell part of that farm. I ask the minister seriously to consider the security of tenure angle as outlined and as carried into effect by New Zealand.

Mr. JOHNSTON (Bow River): I desire to add my voice to that of hon. members who have spoken on behalf of this class of returned men, because their plight was drawn to my attention just prior to coming down for the present session, when I visited a number of them at Hesketh, near Drumheller. They are in a drought area. I do not agree with the hon. member for Comox-Alberni (Mr. Neill) that some of these men would be encouraged to take advantage of the dollar for dollar bonus and on that account would not pay off their obligations as quickly as possible. I found in conversation with returned men in my own district that they are only too anxious to get rid of this burden of debt if they are permitted to do so. They appreciate the fact that in 1927 there was a reduction of about thirty per cent in the valuations of the lands, but it must be remembered that when that land was valuated the prices were high and the returns they received for their products were also high, whereas that land has now gone down in value probably fifty per cent. That is especially true of the farmers whom I visited just before I came here; as they are in the drought area they should have every consideration.

I do not mean to leave the impression that returned men in British Columbia should not also have consideration, but I am particularly interested in the men in my district. A situation which was drawn to my attention in regard to these returned soldier settlers was that apparently some were more of the speculative type, and these men in the good years took advantage of this dollar for dollar bonus and were able to clear off their indebtedness and to claim title to their land. On the other hand other returned men are permanently settled there with their families, which have increased year by year, and they are in an entirely different situation. They are in a drought area and it is impossible for them to carry on.

I should like to see this dollar for dollar bonus maintained without any set period for termination. I think we should go further with it, in view of the fact that in the first place about $110,000,000 was loaned out, and if we take into consideration bad debts and cost of administration I believe the experiment has cost us already over $68,000,000. In view of that tremendous expense we should be a little more lenient with these returned men and make it permissible for them, if they have a good crop, for instance next year, and can pay off their whole indebtedness, to have this dollar for dollar bonus applied to the whole thing. As it stands, I believe, it applies to a certain portion. These men are anxious to get the debt cleared off, and a number of them told me that if they should have any crop next year they would like to take advantage of the dollar for dollar bonus and pay off the whole debt.

I believe that it would be good business to eliminate entirely arrears of interest for the last four or five years. If that were done, it would give these returned men a chance to obtain a clear title to their homes, which they are desirous of getting. It would be good administrative policy to give every consideration to these men, because there may come a time when we shall have to ask men to leave our country and fight for their homes, and it would be setting a poor example if at this time we cease to consider the needs of our returned men. I hope that when the government brings down this legislation, it will see fit to provide for some concessions in this respect.

Mr. QUELCH: Many returned men are a little leery about coming under the Farmers' Creditors Arrangement Act. They realize that in the past they have received fairly sympathetic consideration from the government, and fear that if they avail themselves of this act they will be subject to different treatment. If they come under this act, will they receive exactly the same treatment as before, with regard, for instance, to collections in the event of poor crops?

Mr. CRERAR: Certainly they will not be discriminated against. While it is true that in some parts of Canada soldier settlers have not taken as full advantage as they might have done of the Farmers' Creditors Arrangement Act, yet a great many have done so, and I believe they have received very fair consideration. The likelihood is that the authorities having to do with the administration of that act would, if anything, lean to the side of leniency. So far as the returned soldier is concerned, it is my observation that such is the case. I believe that, with this provision extending the opportunity to those who have not been able to take advantage of it, with the fact that the interest rate is five per cent, and with the further fact that they have recourse under the Farmers' Creditors Arrangement Act through official receivers and boards of review where all the circumstances

of their case can be placed before authorities who have power to deal with it, it can fairly be said that no hardship remains. I am informed that when this question of the dollar for dollar bonus was considered at the recent Canadian Legion convention at Port Arthur, the consensus of opinion expressed was precisely on the lines of the legislation brought down. If my information is correct—and I think it is—the delegates did not ask that the dollar for dollar bonus be extended right across the board, to all who had been able to take advantage of it and to those who had not, but requested that an opportunity should be given to those who, because of crop failures or other circumstances, have been unable to take advantage of it.

Mr. NEILL: Did the legion definitely say that?

Mr. CRERAR: That is the information I have.

Mr. NEILL: The answer is, I am afraid, that the legion does not represent the settlers. The minister does not seem to be quite sure. I asked my soldier settlers if they would send a delegate to that convention of which he speaks in order that their views might be expressed there, and they said they could not afford to do so. Unfortunately the legion in what I would call its higher aspects has got more or less into the hands of a bureaucracy or aristocracy of colonels and generals, who can afford to attend these meetings. These people and influential legion branches in the cities have run the legion. Nowadays the voice of the poor man is not heard nearly to the extent that it used to be and that it should be. If the legion passed a resolution such as the minister stated, it is because they were not fully informed, and the reason they were not fully informed on the situation and the facts is that the poor man, the small man, the settler to whom a dollar looks so big, could not afford to send a delegate—they cannot afford to send a delegate to represent them at their provincial conventions—and only the leading lights and more or less the moneyed men or the men who have some government jobs or something of the kind can afford to go around the country to these conferences. I say that the settler was not adequately represented at that convention if they passed a resolution of that kind.

Mr. CRERAR: So far as that is concerned, General Ross, who was for several years head of the legion—president, I believe, was the title of his office—came from a rural district in Saskatchewan, from Yorkton, and he was wholly familiar with the conditions obtaining among the settlers in the prairie provinces. I know further that during the course of his office he visited all parts of the country in connection with legion work. His successor, Colonel Foster, comes, I believe, from Vancouver.

Mr. BENNETT: Chief of police of Vancouver.

Mr. CRERAR: I discussed this proposal with Colonel Foster and he told me what the legion had discussed at their meeting at Fort William.

Mr. NEILL: That just bears out what I have been contending, that Colonel Foster and the legion do not represent the soldier settlers of British Columbia.

Mr. CRERAR: I am not going to pass judgment on that; but at any rate Colonel Foster is the man whom the delegates to the general meeting of the organization elected as president, and I assume he is the man they desired to have in that position. I know General Ross took a very active part in the work of the legion, and I have not the slightest doubt that Colonel Foster will do the same. Consequently I think this is reasonable legislation. If conditions change, it is always open to parliament to extend it or to enlarge the benefits. I was not in the house when the dollar for dollar bonus privilege was established, but as far as my knowledge goes that step was taken at that time because of the extraordinarily low prices to which all classes of agricultural produce had fallen in Canada. I have already given the committee the information that the price index for 1937 as compared with 1933 shows that the value of farm products has gone up from fifty per cent to, in some cases, well over one hundred per cent, in other words has doubled. On the whole I think the legislation is reasonable.

Mr. GREEN: One remark made by my good friend the hon. member for Comox-Alberni (Mr. Neill) I think was unfortunate Perhaps he did not mean to go quite so far in his attack on the officers of the Canadian Legion. It would be too bad if the committee got the impression that the legion is made up of ex-officers or wealthy men, because such is not the case. I think the legion, as well as other soldier organizations across Canada, represents all ranks and all classes.

Mr. NEILL: I did not say "made up of," I said "managed by."

Mr. GREEN: Well, all these soldier organizations are doing the best they can for the returned soldiers of Canada, and as a

returned soldier myself I should like it made clear that there is no question of their being led by wealthy men or ex-officers.

Mr. McLEAN (Melfort): Before addressing a question to the minister let me say that the hon. member for Comox-Alberni came near the truth in describing the convention—not the legion—in its relation to that resolution. I was amazed at the passing of a resolution of that kind. I asked a senior officer afterwards and he said that it was better to be moderate, not to ask too much; that the government had treated them generously in the past. I happen to know a little about the convention, and it is in line with what the hon. member for Comox-Alberni said.

I would ask the minister whether the bill is to be based on the resolution or if the resolution is merely descriptive of a bill already drafted.

Mr. CRERAR: The resolution is descriptive of the bill drafted. The first step is the drafting of the bill; then the law clerks are supposed to draft the resolution to agree with the terms of the bill. They tell me that has been done in this instance.

Mr. McLEAN (Melfort): I am satisfied with that answer; I think it is correct, although differing somewhat from my idea of what we are doing when we pass a resolution authorizing the introduction of legislation. As a layman perhaps my misunderstanding was excusable, but I thought the bill would be based on the resolution this house passed.

In any case I should like to draw the attention of the minister and the committee to the similarity of language used in the resolution before us to-day and that used in 1936 when similar legislation was before the house. It differs by the addition of three words; that is all I can find. In the present resolution we have the words, "to provide further that the period during which payments of arrears or instalments at present subject to bonus privileges may be made." Two words there, the words "at present," are not found in the resolution of 1936. I am not saying that the inclusion of those words does not change the sense of the resolution, but in my opinion it does not. The resolution of 1936 read:

> That it is expedient to amend the Soldier Settlement Act to provide that the period during which payment of arrears or instalments subject to bonus privileges may be made be extended to the 31st day of March, 1938.

To all intents and purposes that resolution is exactly the same as the one now before us, and so I think there is justification for the mistake made by myself and others in thinking it means the same as the resolution of 1936.

A good deal has been said to-day about the Farmers' Creditors Arrangement Act being open to ex-soldiers. As a matter of fact the legion convention at Fort William recommended that as many as possible take advantage of that machinery. But there are in this country many ex-soldiers, as well as other settlers, who do not want to have anything to do with that piece of legislation, which is based on the dominion's powers to regulate bankruptcy.

Mr. BENNETT: It involves the assumption that the settler is himself insolvent. The act can be applied only if the applicant is insolvent.

Mr. McLEAN (Melfort): Yes, and many settlers do not want to go before a court on that assumption. They want to meet their contracts, but on as favourable terms as others are getting. For that reason I think it is not a good thing that we should speak so much here of their having that machinery available.

In reference to what the minister said about reductions which have been made in the past, it is true that nominally and on paper, and I think actually, parliament and governments from time to time have been quite generous in the treatment of soldiers, once the obligation was incurred. But in the incurring of the obligation governments and parliament in times past have been most unwise in authorizing expenditures.

Someone quoted prices of cattle supplied to these men in the earlier days. I myself saw horses costing as much as $500 a team sold to settlers who had no feed for them, no work for them to do, no knowledge of horses; the horses knew nothing about the men and the men knew nothing about the horses. The result was that within a few months those horses, fed up for market and sold at a high price, were practically without value. The same is true in regard to cattle and machinery, where the latter was sold to men who had no use for it, no place to store it, and in some cases no cleared land on which to pile it. That kind of thing entailed greatly increased debt for the settlers.

I am not criticizing any administration that was responsible for these things; they were part of many other mistakes. Nevertheless the debts were incurred, and the reductions made in connection with debts incurred for stock and equipment were not enough to put many of the settlers on a sound footing. A reduction was made that applied to all. Later on other reductions were made, culminating in the thirty per cent reduction, I think in 1930. There the committee which dealt with the question of soldier settlers was faced with

this very difficult situation. Many men had made sacrifices, realized on life insurance, borrowed money from friends, relatives and mortgage companies, and paid off their liabilities in full. Then a year or two later, or in some cases a few months later, they found that if they had not paid off their debts they would have been eligible for substantial relief, such as those about them were receiving. No one was to blame for that situation, because once a man has paid his debt to the government he cannot get any reduction, since he does not owe anything. But this created a feeling of dissatisfaction on the part of those who had tried their hardest and done their best to pay off their obligations.

Then the dollar for dollar bonus plan came along. There was no mistake about the intention of the plan at that time, and it was carried out quite successfully. Two years ago the extension was made, and there was no argument about those to whom it was to apply. Now, however, almost the selfsame resolution is before us to-day, but it is being given an entirely different interpretation. I strongly object to that, and I think it is most important. It may be that I am wrong and that the words "further" and "at present" do change the sense of the resolution as compared with the one of two years ago. But until I am told that the addition of these three words does change the meaning of the resolution, I think that the committee should hold that if this measure passes in its present form it means that the same terms should be embodied in the bill that we are going to discuss later, of which this resolution is assumed to be descriptive.

Mr. REID: In support of my remarks of a few moments ago I want to give the minister some figures pertaining to soldier settlers in the Fraser valley in British Columbia, in order to show how serious the matter really is. The payments due in the Fraser valley last year amounted to just over a million dollars. There was actually paid the sum of $90,454.68. Of 1,668 payments due only some 621 were made. Those are the latest figures I have been able to obtain from the department. This is a serious matter. In the Fraser valley there are three particular collection points: Abbotsford, Chilliwack and Vancouver. At Abbotsford the amount due in 1937 was $83,522.62, of which $5,150.40 was paid. At Chilliwack the amount due was $137,774.30, of which $10,452.98 was paid, and in the Vancouver district $118,751.58 was due, and only $8,148.40 was paid. That clearly illustrates just how serious the situation is in the Fraser valley, where there are men who have never been able to take advantage of the dollar for dollar offer, and never will due to economic conditions. In many cases the interest charges have increased the cost of the property to twice the original cost, and while there are some few who can get relief under the Farmers' Creditors Arrangement Act, I think it is too bad when the director has to say to a man, "Go to the Farmers' Creditors Arrangement Act; we will not oppose you." There are only a few who can take advantage of that because, as has been pointed out, a man has to be declared bankrupt before he can take advantage of the Farmers' Creditors Arrangement Act.

I should like to see the act remain as it is; but I think the high interest charges which exist at present, at least on the debts due in British Columbia, should be carefully reviewed by the board. I should like to refer also to the large staff in the city of Vancouver, which I claim means a considerable overhead in looking after what is to-day really a collection agency. What is bothering most of the settlers out there is that if they are forced off their property, the board will actually sell the land for about one-third of what is against the property while it is in the possession of a soldier settler. He naturally says to himself and to the board, "Why can't I get some further reduction?" I think the figures I gave a few moments ago are interesting, and I draw that situation seriously to the attention of the minister.

Mr. NEILL: I should like to amplify the point made by the hon. member for Melfort. He modestly said he thought he might be wrong, but I do not think he is. I think the minister was mistaken when he made the statement to the hon. member that the custom is for the resolution to be founded on the bill. I submit that the custom in this house is the direct opposite. Time and again we have the minister in charge of a resolution saying, "Mr. Speaker, the bill which will be founded on this resolution, if it passes—" and so on. There is no question that the resolution comes first, and is introduced with the sanction, or the approval and recommendation, of the governor general.

Mr. BENNETT: The minister said that to-day.

Mr. NEILL: He used that language when he first introduced the resolution, but in answer to the hon. member for Melfort he said that the bill was already formulated and that the resolution was founded on it. That is an important difference, for this reason.

We know we private members cannot make any amendment asking a change in the terms, because that involves the expenditure of public money, and that is a matter entirely up to the government. But I think, if the bill, when it is brought down, contains not the legislation foreshadowed by this resolution but this other modified legislation which the minister has indicated, it will be our duty and privilege to rise to a point of order and say that the bill brought down is out of order because it is not founded upon the resolution and does not carry out one of the most important items in the resolution—the provision that the present privileges would be extended. Now we find that they are going to be extended to only a small portion of those concerned. If the government is determined to take this stand, I think it will have to withdraw this resolution and introduce another expressing what is now proposed. I submit that the bill to be introduced will be out of order unless it follows the terms of this resolution.

Mr. CRERAR: I am not a lawyer, but I am advised by the legal officers of parliament who have to do with these matters that this resolution is in order for the purpose that I explained. If the hon. member for Comox-Alberni takes a different view, I must express regret that he feels that way about the question. In matters legal I have to be guided by the officers properly constituted for that purpose.

Mr. COLDWELL: I should like very much to emphasize the point made by the hon. member for Melfort in reply to the minister in regard to the soldiers coming under the Farmers' Creditors Arrangement Act. They are afraid that if they come under that act and are removed, as it were, from the protection of parliament, in the event of times getting worse, while they may not be discriminated against, they will have lost their rights under anything that might be done subsequently by parliament.

Mr. CRERAR: That is not the case.

Mr. COLDWELL: As was pointed out, the Farmers' Creditors Arrangement Act is a matter of insolvency and bankruptcy. This the soldier settlers dislike. I said previously that I did not think we were being sufficiently realistic in viewing this matter. I have before me some further figures which I think confirm that statement. If we take the Saskatoon area, where many of these settlers are to be found, the number of instalments due in 1936-37 was 4,658. Of these there were 573 already prepaid from previous years. In addition there were 408 fully paid in the year 1936-37, making a total of 981, or only twenty-one per cent of the payments due. In other words, last year only twenty-one per cent of those soldiers met their instalments.

I should like also to emphasize the suggestion made by the hon. member for New Westminster regarding the New Zealand plan. That is a security of tenure plan, which some of us have been advocating for a very long time for more persons than soldier settlers. The New Zealand land policy is one, I think, that might be studied particularly for application where the government itself has control of a given area. It's basic principle is that the people on the land shall be given undisputed possession of that land as long as they use it, and the debt meantime be cut down to the point where, over a period of years without interest, they can expect to retire the obligation. The New Zealand government has put this policy into effect. Several years ago, when it was only a proposal, I had an opportunity of hearing a great deal about it from one of the present ministers of that government. Although two or three years ago there was an inclination to ridicule such a land policy, in the province from which I come, it is being used for soldier settlers in New Zealand. I am glad the hon. member for New Westminster drew it to the attention of the committee, and I should like to emphasize it.

Mr. FAIR: I have listened with a great deal of interest to the arguments and suggestions which have been brought forward, but I am not satisfied that any of them have gone far enough. Having lived among soldier settlers for a number of years, I am satisfied they will never get out of their present position. At the time the plan came into being, the average loan was $4,155. To the end of December, 1937, only forty-five per cent of the loans had been paid off. At the same time thirty-nine per cent of the original settlers were still paying on their loans.

Coming along to the end of March, 1931, we find that the average indebtedness of the soldier settler was $2,311. At the end of December, 1937, the average indebtedness was $2,271, or an average reduction in seven years of $40 per settler. I would ask the minister how many years it will take for those settlers to pay up under existing conditions. We have no guarantee whatever that farming conditions will be any better in the future.

The minister told us a few moments ago that prices of farm products are better than they have been in the past, but I would remind him that our wheat yields are far

below what they have been. While in the district from which I come we have had crops averaging from twenty-five to thirty bushels to the acre, last year we averaged between three and four bushels to the acre. I would ask him how he concludes people are better off to-day than they were when crops yielded a higher average. From the inception of the plan to March, 1937, the amount of interest charged up was $30,643,796.76. Added to that are the costs of administration, amounting to $23,765,179.70, giving a total of $54,408,976.46. We find that the amount paid by all soldier settlers to the end of March, 1937, was $56,158,021, or very little more than the amount of interest and administration charges. I have no doubt the minister is more familiar with those figures than I am.

I say it is time something definite was done for soldier settlers, to bring them out of their present position. I had not intended to say very much at this time; but before the resolution passes, or any legislation is brought down affecting soldier settlers, may I recommend to the attention of the minister the submission of the soldier settlers union, with headquarters at Lloydminster, Saskatchewan. I believe a copy was sent to the minister and to several other hon. members in February of last year, but if he has lost his copy I shall be pleased to let him have mine. I suggest that some substantial amendments be made in favour of soldier settlers.

Mr. WOOD: I should like to draw the attention of the minister to the administration by the soldier settlement board in the township of Tuscarora, in which there happen to be about seventy soldier settlers. This township includes the Six Nations Indian reserve. In the last few years property of Indian ex-soldiers in that reserve has been repossessed by the board. Some of it has been resold to civilians, and some of it has been rented by the board, and the rent applied to the payments due the board on the property. The difference between the price realized on the sale of the repossessed property and the original advance made by the board is held as a claim against the original owner. The fact that he participates in a semi-annual interest fund distribution to the band gives the board a claim on him personally. Unfortunately the claim is imposed not only against the original owner, but also against his wife and family. The board seizes the semi-annual interest payments to apply to the loss which has been incurred in consequence of the repossession of the property and its sale to a civilian.

I was surprised to learn that that condition of affairs exists, because I do not think it exists in respect to any other group of soldiers. I wish the minister would see whether this discrimination cannot be corrected. I do not believe it is fair; I do not think there is any justice in it. At this time some claims are reverting even to the third generation. Where will it end? In some cases many families will be involved, and the difference to which I have referred is not sufficient at the present time to do more than pay the interest on the claim against the Indian ex-soldier or his descendants.

I am quite aware that soldier settlement on that reserve is at present administered by a branch of the Department of Indian Affairs; yet I feel that the responsibility rests upon the board, and if the minister will give the matter consideration I shall be pleased.

Mr. CRERAR: I shall be glad to do so. I am not personally familiar with the facts mentioned by the hon. member, but the matter will be looked into.

Mr. O'NEILL: In rising to support the remarks made by the hon. member for Comox-Alberni, I was of the opinion that this measure would extend the privileges to everybody, and that the condition would be the same as it was before. But from the minister's explanation it would seem that only a certain class are to benefit. For my part I should like to see it extended to all of them. Those who had the privileges before, should continue to have them. Supporting the hon. member for New Westminster, may I say that in the interior of British Columbia we have conditions similar to those he described in the Fraser valley.

I have one particular instance that came to my attention. A piece of land was taken up by one of these soldier settlers. To date he has paid in the neighbourhood of $1,100, including his bonus and interest charges, but he still owes more than what he has actually paid. If he let go of that land, it would bring in the open market only about half what he owes on it. He made a payment last year of $50 or $60, but the interest on the money he owed was more than his payment. The result was that although he made a payment, at the end of the year he owed more than he had at the beginning. I do not think this man would continue to pay the charges on this land were it not for the fact that when he took it up he gave the soldier settlement board a mortgage on his homestead. That is why he is struggling to make the payments; if they are not paid he will lose his homestead.

Mention was made by the hon. member for Melfort (Mr. McLean) of the Farmers' Creditors Arrangement Act. Only to-day I

was speaking to the Minister of Finance (Mr. Dunning) about a matter, the particulars of which I have here on my desk. A certain man purchased a piece of land from the soldier settlement board and later on sold it to a third party. The party of the third part took advantage of the Farmers' Creditors Arrangement Act. He appeared before a board of review and had his indebtedness to the settlement board reduced by some $2,000. This reduction applied also to the payments due by the party of the second part to the party of the third part. The whole thing has reached a point where I simply cannot understand it. The only thing that can be done is to refer it to a lawyer to have it untangled. I would not want to see this act done away with; but at the same time there is no doubt that many people are taking advantage of it, and the very people whom the act was intended to help are being penalized. I do not know just how a question like this will be settled, but I certainly would like to see this resolution apply to everyone and not to just a particular class.

Mr. McINTOSH: North of the North Saskatchewan river in the northwestern part of Saskatchewan there is a goodly number of soldier settlers. Many of these men have been in there for years and they are vitally interested in any legislation which may be enacted in Ottawa. They feel that if legislation is enacted to help in the meeting of their payments, even then the problem will only be half met. They believe, and I think rightly, that even if that is done there is still a long range problem to be settled, the problem of how many of these soldier settlers will be able to remain on the land if some help is not extended—not forthcoming.

It would appear that year by year the number of soldier settlers on the land in that part of the province—I assume the same is true of other parts of the province and also of other provinces—is gradually being reduced. These men are being dispossessed, and the result is that those who are still on the land are beginning to feel somewhat discouraged. They are all of the opinion that the department should do something to alleviate their distress. This must be done if these men are to remain on the land and get any benefit from the moneys they have paid to date.

A few years ago the soldier settlers in that part of the province organized a soldier settlers' union. I encouraged that because I felt that if these soldier settlers were fully organized they could yearly draw up a bill of complaint—a petition of grievances—and present it to the authorities in the different areas. In turn those complaints could be

presented to the department with the possibility of action being taken to redress their wrongs. But they feel that with all their attempts at organization, with all their efforts to benefit their lot, they have not a very safe hold on the future. Consequently they are looking to Ottawa for action.

After reading this resolution, I have come to the conclusion that the department would be well advised not to discriminate in any way. Bonus payments should be allowed to every soldier settler, whether or not he is paid up. These men would thus be given a chance to remain on the land and be more satisfied than they are at the present time. I agree with those hon. members on this side of the house who have said that on first reading of the resolution they believed that it was to be extended to all soldier settlers, not just to those who are in arrears. I believe that is the understanding among these soldier settlers throughout the west. I ask the minister if it would not be possible to modify the resolution so that when the bill is brought in, it will be as beneficial and non-discriminatory as possible.

Mr. MacNICOL: How much did it cost last year to administer the soldier settlement board, and what were the returns from the work?

Mr. CRERAR: I am afraid I have not that information at the moment, but I shall try to have it when the bill is before us. Ordinarily that would be asked for when the estimates for the soldier settlement board were before the committee for consideration.

Mr. McLEAN (Melfort): It has been said that this resolution is similar to the one passed two years ago, and I should like to ask the minister if he will consider withdrawing this and making it fit the bill which he says is going to be introduced, or whether he will change the bill to fit the terms of the resolution we are now discussing? If we pass a resolution that is exactly the same as the one we passed two years ago, I think we have a right to look for the same type of legislation.

Mr. CRERAR: The resolution is not quite the same.

Mr. McLEAN (Melfort): There are three words different. The first is the addition of "further." That is "further" to the reduction in the interest from seven per centum to five per centum, and then there is the designation of who shall receive the bonus payment. In March, 1936, we were dealing with contracts and payments that were at that time "subject" to the bonus being given, instead of "at

present subject" in the resolution before us. So that while I did express some doubt as to the legal meaning of these words, I can see no difference whatever, and I do not believe that the law officers can prove any difference.

I had an unhappy experience with the law officers of the crown who drafted certain soldier settlement amendments some years ago. In 1928, an amendment was passed in the special soldier committee, the purpose being to provide that no homestead crown land entered upon by soldier settlers at a date subsequent to their receipt of the latest authorization of a loan from the board could be seizable or could be held for debts incurred before entry was made. The law officers of the department and of the Department of Justice so garbled that simple amendment that after it had been sent back two or three times from that committee, and after they had assured us finally that it was good law and good legal English, it came to the house and half a dozen legal men, among them the then leader of the opposition, who is in the same position today, attacked it, with the result that the whole amendment had to be returned in an effort to make it abundantly clear just what was intended.

I will admit, therefore, that I come to the house rather prejudiced against the drafting done by some of the law officers of the crown. In this instance I claim that the resolution is in all its essential features the same as the one we had two years ago, and if we pass it we have a right to assume that the minister will introduce a bill similar to that which was brought in on the basis of the resolution which was passed in 1936. On the other hand, I would have no objection to having the resolution withdrawn, if it is merely descriptive of the bill that is to follow, on the understanding that it will be reframed in accordance with the bill which it is proposed to bring down. But the department cannot have it both ways. Either the resolution is the same as the one we had before or it is different. If it is different, very well; in that event the bill will be different. But if the resolution is the same, then—perhaps, like one hon. member from British Columbia, I do not easily grasp these things—I must confess that I cannot see the difference.

Mr. NEILL: The government has set its hen on duck's eggs and now proposes to give us chickens, and we do not want chickens.

Mr. NEEDHAM: This resolution is not tackling the problem that the soldier settlers are up against; it is not giving them much hope for ultimately liquidating their obligations. I agree with many others who have spoken that the soldier settler is getting discouraged. He has worked hard and tried to meet his obligations, but the problem is too great for him. I was talking to one man last fall and he presented a case which perhaps is a little peculiar. It is this. Two young fellows took over a section of land, half a section each, sixteen years ago. They put up their shacks and went to work; they paid to the municipality in taxes over $4,000 and to the soldier settlement board over $5,000, and now they owe more than they did at the start. Analyse that situation from the standpoint of what that land was bringing to the crown before these men took it over, and see where they stand now. Before that land was taken over, it was crown land that was rented for pasturage and it brought in $25 a year. In the sixteen years, had it remained under the crown, the crown would have got $670 from it. As a matter of fact they have got over $5,000. To put the matter another way, if it had continued as pasture land it would have taken over 200 years for the crown to receive the amount it has actually received to date from that land. These settlers have been there sixteen years; they owe more today than they did when they first went on the land and, as they say, they would have been beter off on relief; for they have worked sixteen years for the country for three meals a day.

Mr. DUNNING: Does my hon. friend mean to say that soldiers paid for crown land—that they paid the government of Canada for crown land?

Mr. NEEDHAM: In meeting their obligations.

Mr. DUNNING: What obligations?

Mr. NEEDHAM: In connection with the land they took over from the board.

Mr. DUNNING: But no crown land was charged for; that is a certainty.

Mr. NEEDHAM: It was school land, I suppose. It was land they took over from the board anyway.

Mr. DUNNING: School land? That is a different matter; that belongs to the province. Crown land, in the ordinary sense, no soldier settler has paid for at any time.

Mr. NEEDHAM: It was taken over from the board sixteen years ago, and that is the situation.

Mr. POOLE: Over ten years ago this land belonged not to the province but to the federal government.

Mr. DUNNING: What land? School lands?

Mr. POOLE: Yes.

Mr. DUNNING: School lands were always held in trust by the dominion for the province. To-day they are administered by the province. It was never crown land in the sense of being available for homesteading.

Resolution reported, read the second time and concurred in. Mr. Crerar thereupon moved for leave to introduce Bill No. 33, to amend the Soldier Settlement Act.

Motion agreed to and bill read the first time.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1938

Hon. P. J. A. CARDIN (Minister of Public Works) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of His Majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1938.

Motion agreed to and the house went into committee, Mr. Johnston (Lake Centre) in the chair.

Mr. CARDIN: This resolution provides purely and simply for the introduction of a bill authorizing the Minister of Public Works to extend for another year the agreement between the city of Ottawa and the Department of Public Works. The agreement provides for a payment of $100,000 to the city of Ottawa as compensation for fire protection of buildings belonging to the government and for water used in sprinkling in the parks and on certain streets under the control of the federal district commission. This agreement was concluded as far back as 1920. It was then for a period of five years. In 1925 the amount of $75,000 which had been provided in the agreement of 1920 was increased to the present sum of $100,000. Since that time the agreement has been renewed by legislation passed at each session of the house.

Mr. CHURCH: I do not wish to delay the passage of this vote, but there are two or three features of it which I think parliament should understand. The agreement is between two parties: the king, represented by the Minister of Public Works (Mr. Cardin), who has just spoken, and the mayor and corporation of the city of Ottawa; the vote is $100,000. The agreement began away back in 1920, on March 13. It is a subvention to the city of Ottawa, and it started in this way. There was a meeting at Niagara Falls

of the Union of Canadian Municipalities the year I was president. I read a paper dealing with subventions in other countries by governments—for the state and federal capitals of Australia and all over the world. At that time the late Mr. Fisher, who was born in Toronto, was mayor of Ottawa. On March 13, 1920, as mayor of Ottawa, on behalf of the corporation, he made an agreement with the government. It was said at that time that the agreement was to spend $75,000 for what was known as sprinkling the streets. It was a lot of money to grant for that purpose; I do not know whether there was a general election in sight at the time or not. The "sprinkling" amounted to very much less in fact.

But the item grew. We are in a building under the control of the Speaker, who keeps it very clean, but if you step outside the door you are under a federal district commission; yet it is all in the city of Ottawa. The vote was expressed to be for a sprinkling system. Sprinkling what? For cleaning certain streets of Ottawa. When the minister was asked in 1920 how much was to be voted, he said, $75,000. That is a lot of money for sprinkling. The next year the vote came up they amended the information; and they said, "Oh no, it is just along the lines of the union of municipalities report, and provided a subvention in exchange for services rendered by the municipality to the capital of the country." What were those services? Fire, police protection and other services. It may be remembered that Sir Wilfrid Laurier proposed to make this city the Washington of the north. Now they are going to make Washington the Ottawa of the south.

This vote is a most improvident arrangement, because, under constitutional practice, every vote must have a principle. The principle in this case is all wrong. I am not opposed to Ottawa, I should be glad to see this city get everything that is coming to it; but when one looks into this agreement, and adds to the amount of this vote what the federal district commission are now spending on the park system of Ottawa, it runs into a very large sum of money for capital and maintenance. Nearly half a million dollars is voted direct by this parliament to the city of Ottawa for purely municipal institutions—parks and playgrounds and the rest—and on capital account and purchase of properties, tearing down buildings under this agreement and also through the federal district commission—$257,000 through the commission.

What is this agreement? Of what does it consist? How is the amount of the vote

computed? First of all $75,000 was asked for; then it was increased by thirty-three and one-third per cent to $100,000. For what? When they started, the agreement was to sprinkle the streets. Then the federal district commission was established, a federal commission for the city, besides this agreement. The vote was marked up to $100,000, and when you look into the principle of the thing, what is it? A direct subvention, contrary to the British North America Act. I doubt if this agreement would stand in the law courts.

In spite of all that has been said in the last two days about the condition of our municipalities, it is proposed to vote the city of Ottawa a straight cash grant for doing nothing more than is being done by every large city and town in Canada of over forty thousand people that have federal exempt property of many kinds but that get nothing. New federal buildings have been erected in many cities. Why should the government not pay those cities for water supply, police protection, fire protection for federal exempt property throughout Canada? In my opinion there should be equality of treatment. I do not oppose the agreement merely for the sake of opposing it. But what is the value of fire protection and the sprinkling system to the government's buildings here? The fire protection amounts to very little in case of a big fire. We know that in 1916, a few years before this agreement was prepared there was a fire here which destroyed the old parliament buildings because there was not sufficient pressure, no adequate water supply, although there is a fire department. Why, they have as large a water supply at Fort Erie as they had in Ottawa in 1916 when that fire occurred. Fire engulfed the whole parliament buildings; the new ones cost eighteen million dollars, and we cannot step outside without having a commission to fix up the cleaning of the pavements.

The principle of this bill should apply to every city and town in Canada if it applies here. For example, as my report at the union showed, in Australia the city of Sydney, New South Wales, and other state capitals get a subvention. That is how Mayor Fisher conceived the idea of this particular agreement. In Australia they maintain the police force and the fire department; the grant was formerly a million and a quarter dollars and is now two million dollars in exchange for services rendered in these cities to the federal and state governments of the day.

I repeat that I want to find out the principle of this vote. I do so especially in view of the present condition of real estate in our cities, as pointed out in the last few days in the course of an argument which has been a real contribution to the subject. Under the present Minister of Public Works federal buildings have been built all across Canada for sums ranging from $10,000 to $100,000, in cities where the revenues are very small. Why should these municipalities not receive, on the same principle, subventions in exchange for federal exempt property and services? They do everything that Ottawa does under this agreement in connection with fire protection, police protection, and water supply. In the city I come from they spent fifteen to twenty million dollars on a duplicate water supply, largely to give the citizens a high pressure system in the down-town district where the government has erected a million dollar federal building and is collecting in that one building revenues of $110,000,000 in customs and income taxes.

Why should Toronto not have the same consideration? We come to the second clause in the agreement. I shall be through in a minute, Mr. Chairman. I have no wish to delay the vote, but there may be other speakers. Why should other cities not receive the same treatment? Why should Ottawa receive a vote of $100,000 when, right in this same city, we are maintaining a whole second parks system through the federal district commission at the expense of the taxpayers all over Canada? This vote is paid out of income. The moneys to be expended under this agreement will come out of sales tax and income tax. Why should the taxpayers be charged with these expenditures? The industrial worker has no protection; he is losing his home. Why should Ottawa not pay its own bills for its municipal services? Why should it receive the equivalent of two or three mills on the dollar under this agreement as well as through the federal district commission? If we look at the work done by the federal district commission we find, in the western section, it includes Island park, Rideau canal, Echo drive, Dow's lake park, Confederation park, lake Flora park, Val Tetreau park, Central park, Bronson avenue and Somerset street parks, and then there is the eastern section, making a total of $115,000 of an appropriation, with maintenance charges as well. They cover the whole city. Not only that, look at the federal expenditures on capital, tearing down buildings and all that sort of thing, running into millions of dollars, while other municipalities have to look on, and Ottawa "gives us the laugh."

The principle is wrong. Why should the income taxpayers of Quebec and Ontario have

to pay for this? The agreement is improvident. They do not give $100,000 of value. Why do they not clean the streets? Look at the number of people injured; look at the state of the streets right in front of the door of this building on Wellington street, such that no one can walk on the pavement without danger. We have to have here in Ottawa three duplicate street cleaning services: first, the Department of Public Works; second, the city; third, the commission, and fourth, Mr. Speaker, if necessary, could go out himself with a few of us and clean the streets and walks in front of this building.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CHURCH: I shall conclude in just three or four minutes. I am not criticizing the city of Ottawa at all; I want it to have equality of treatment with the rest of Canada. This is a very fine city, and I worked with the municipal officers for many years. What I object to is the federal and provincial governments refusing to contribute to taxation for municipal purposes. For example, for many years the city of Toronto had to build curbs, roads and sidewalks all along federal and provincial property, and this government did not contribute a cent towards the cost. I do not blame the city of Ottawa for getting an agreement under which they will obtain $100,000. I would not care, if services were given, if they got half a million, and if the other Canadian cities were treated in the same way. They have a very fine school system here; they have fine hospitals and an excellent health service, but they get nothing from the federal authorities. The service rendered is not limited to fire protection and water works. These things concern the health of the people, but the city does not get a cent from the federal government.

They have cured all that in England. You have to go to the British cities to get good government. Look what Joseph Chamberlain did for the city of Birmingham. He spent a fortune there. The government of Canada is not doing anything for the people who live in the larger municipalities, or, for that matter, for those who live in rural places. I used to know the late Mayor Fisher of Ottawa. He went to Jarvis street collegiate. He prepared an estimate amounting to $886,455, as what the city of Ottawa should have received from the federal government. He included $77,000 for water rates; $2,000 for sprinkling the streets, $57,000 for income tax, because some high government officials were exempt from municipal taxation; $482,000 for property tax; $226,000 for business tax, and $3,000 for property leased to the dominion government. In some ways, of course, that calculation would not be fair, but at least they are entitled to what they spend.

I do not wish to reflect on any of the city officials here. I have known some of them for many years. This city has very fine officials, who work for small pay. There is efficiency here. It is true that there is not sufficient hotel accommodation, but that will come. I would not object to a proper federal district commission for this city, but I hope the day is coming when we shall not tear down any more public buildings. Let us wait until the depression is over. I believe we are spending too much money, when one considers the eight per cent sales tax and the condition of the farmers and those on relief.

I certainly believe there should be a better break all over Canada for the municipalities, by both the federal and the provincial governments. Why should the municipalities have real estate loaded up the way it is? If a man owns property, he has to pay fifty per cent of the cost of his own roadway, his sidewalk and his local improvements. He has also to pay for federal municipal works, and he has to help provide all these social services without which the people cannot get along. Why should he have to add to his local taxes to pay for local improvements, roads, sewers, sidewalks, waterworks, and all that sort of thing right in front of federal property? The old Grand Trunk paid taxes. In one municipality which I could mention that company was a large taxpayer, but to-day in Toronto the Royal York hotel does not pay any municipal taxes. This is unfair and unjust, and with all these exemptions how is a municipality to live? The municipalities are starving to-day, so much so that they have not a dollar with which properly to repair public buildings, build new schools, construct proper hospital accommodation, help the medical profession in the fine work they are doing, and maintain clinics. They have not a dollar for these services, which are largely maintained by the municipalities. In a rich country like Canada I think the dominion government should come to the help of the overburdened municipalities and pay in all cities for the services rendered. At the present time all these services are carried on through taxes imposed on property owned by you gentlemen and all the rest of us who have invested in real estate. This situation has been cured in England, in the United States, in Aus-

tralia, in New Zealand, in France and in many other places. The municipalities are paid for the service they render.

You cannot expect the city of Ottawa to give adequate fire protection for a building like this if they do not get some proper compensation for it. I think the agreement speaks for itself. There is both federal and provincial property here. I can tell the committee about the case of the normal schools in London and Toronto, as well as the model school which takes up a whole block on Gerrard and Church streets. The city of Toronto had to build a sidewalk around that property; they had to build a roadway, and the province would not contribute a cent until Sir James Whitney in 1906 changed that principle. He said the Ontario government should be big enough to help the municipalities by paying for the city services rendered.

The only object I had in speaking on this motion was to try to get a fair deal for the municipalities. I have always been a great admirer of the city of Ottawa. I like the people here, and there is a great deal provided in the way of municipal services. I do plead for the municipalities. Mine is a national argument, not a provincial or federal one.

Mr. McCANN: Mr. Chairman, the hon. member for Broadview has been rather more generous to the city of Ottawa in the remarks he has made since having his dinner than he was in those before six o'clock. As I listened to his argument prior to the recess, it was that Ottawa was not entitled to this amount of money for services rendered because other cities, in which there were federal buildings, were not being treated on a similar basis.

I hold no brief for the city of Ottawa although, like all hon. gentlemen here, I am a part time resident of this city. Having lived in this section of the country all my life, I know the needs of this city perhaps better than do some other hon. gentlemen. I know that business men and property holders here are by no means satisfied with the arrangement which is made by the federal government from year to year. That agreement was brought about, I suppose, by compromise and because of the fact that Ottawa city officials feel that they cannot do better. I do not regard the $100,000 a year that is paid to the city of Ottawa as a bonus or a subvention. You are paying in part for services rendered. You are paying for sewers, for roads, for water service, for police protection, for the sprinkling of the streets, and so on.

I submit, Mr. Chairman, that perhaps the biggest objection is based on the fact that you remove so much very valuable property from the assessment roll. The present policy of the government in regard to the beautification of this city is indeed laudable, and I am glad to see that they are taking the long view with reference to making the capital of this country a city of which we may be justly proud. There is no very severe criticism in Canada of the amount of money spent by the federal government with that object in view, but I submit that the present policy practically divides the city into two parts. If in the centre of the city large federal buildings are to be erected for governmental purposes, and if a space is to be given over for parks, we are going to have east, west and south of that area two business sections. It is an old axiom with reference to real estate that property lying adjacent to valuable property will be valuable. That does not hold in connection with the very valuable buildings which are being erected by the government.

For purposes of business, I would say that the presence of government property on business streets, as is contemplated with the erection of the post office at the corner of Sparks and Elgin streets, is detrimental to and lowers the value of the business property adjacent to it. The people who come to do business in this city in government offices are not the people who are going to carry on a large commercial business with the occupants of the buildings along Sparks street in the vicinity of the post office. I would say that the property of people on the opposite side of the street is reduced in value immediately a post office is erected at the corner of Elgin and Sparks streets. I would say the property opposite would depreciate in value anywhere from twenty-five per cent to fifty per cent, unless at some time or another that property, too, was taken over by the government.

In view of these facts, I think the government could afford to deal much more generously with the civic authorities in Ottawa than it has heretofore. A new principle has been accepted, and is being put into effect by the Ontario government with reference to the property which they hold and in which they do business. It has lately been proclaimed by the premier that they propose to pay taxes on those properties in which they have their liquor stores. They see the reasonableness of the demand which has been made by several cities and municipalities that, as the liquor stores are carrying on a

commercial business, they should pay taxes equal to those paid by other people doing business in the same city.

I submit the same holds good with reference to federal government property. If the Post Office Department, a business organization, is carrying on a business—I admit it is not a competitive business—then it can well afford to pay taxes on the property in which it does business. A good property is being taken down, one which from year to year has yielded taxes to the municipality of Ottawa. The very moment that those buildings become the property of the federal government they are replaced by a federal building, and that much is removed from the assessment rolls of the city. By a proportionate amount, the taxes are lowered. In turn, those taxes have to be met by other property holders and business men.

All services of the city are at the disposal of the government, if they were in a position to take advantage of them. There is the health service, of which the hon. member has made mention, as well as police protection, educational facilities, fire protection, and the administration of justice. All these services are given in the municipality, and are at the disposal of the federal authority, if they were in a position to take advantage of them. The very fact that they are not in that position and that they do not need some of these services is no argument that they should not pay their fair and just share of the cost.

The agreement before us is practically the same as the one which has been in effect for a number of years. I suggest that it ought to be revised yearly, and on an upward basis. From year to year assessments have had to be raised in Ottawa. Chiefly on account of the relief problem, the tax rate in this and other cities has had to be raised continually; yet over a long term of years there is no change in the amount of money paid by the federal government. If the Minister of Public Works wants to deal fairly with Ottawa, I believe he should change his resolution from $100,000 to at least $200,000, as the amount to be paid to Ottawa for services rendered, and even at that amount the government is not paying more than fifty per cent of the value received. This government in the capital city cannot give an example to other municipalities by wanting something for nothing.

Mr. HEAPS: I have listened with a great deal of interest to the two hon. members who have preceded me. I believe every hon. member is anxious to deal with the utmost fairness with the city of Ottawa, and all are anxious to see Ottawa become a worth while capital of a great dominion. But I certainly cannot follow the arguments which have been presented by the hon. member who has just taken his seat. For instance, he has told us that the Ontario government are content to pay taxes on the liquor stores they control in the various parts of the province. I have not heard that the Ontario government will pay taxes on the hydro utility, an organization which does a fair amount of business in Ottawa. I do not know, for instance, that the Ontario government makes any contribution towards the taxes of Toronto, the capital city of Ontario. I know of no provincial government which makes a lump sum contribution to the capital city of any province for the services it receives.

I am not using these observations as an argument against the measure submitted to the committee, but I am speaking in answer to the statements which have been made. Further, I have not much sympathy for the plea on behalf of the business men in Ottawa, the description of the hardships through which they are going, or the deterioration of property values in the city. I say that, because I think there is no city in the dominion which has been better off in the past seven or eight years, taking it all in all, than has been the city of Ottawa. It has not suffered one part of what other cities have suffered in the past few years, in connection with meeting its municipal obligations. They have been extremely well off, compared with nearly all other municipalities in Canada.

On the other hand, if one were to take away from Ottawa all the improvements for which the government has been responsible, there would be very little that the city could show that it has done towards making the capital city a worthy capital for the dominion. Having had some experience in municipal affairs, perhaps I might be permitted to say that there is not that civic pride in Ottawa which I should like to see the people have towards making Ottawa a worthy capital city. If one takes away the parks and driveways and public buildings controlled by the federal government, what is there to show what is being done by the city?

I am not making these statements as an argument against voting the amount indicated. I wish the government to deal with the utmost fairness with the city of Ottawa, and I am not opposing the granting of $100,000. I want to see Ottawa a worth while capital, but I also want to see her own people become a little more sympathetic, as indicated by their future action, towards the activity of this government in trying to make Ottawa the city it should be.

I am aware of the complaints that have been made in the past when buildings have been torn down. In my opinion, the tearing down of some buildings has been a good thing for Ottawa. I remember a few years ago when the confederation park was first started. There was a great outcry because property was being expropriated by the government in order that this park might be set up in the centre of the city. I do not know the exact sum spent in this connection, but it was up in the millions. The old Russell theatre as well as other buildings were torn down, and the complaint was made that we were reducing the assessed value of the city. In my judgment, when a city is made more beautiful and more attractive to those who live in it and who visit it as tourists, the property values are enhanced, not reduced. That is exactly what the government has done here in Ottawa. I have been coming to Ottawa for a number of years, and I am anxious to have the government continue to try to make Ottawa a worthy capital of the Dominion of Canada, but I should like to see a little more cooperation in this regard on the part of the people of Ottawa.

Mr. BLAIR: Ottawa is situated in the province of Ontario. When large buildings are built here at the expense of the other provinces, I wonder if they do not sometimes feel that a federal district should be set up here like they have in the United States and in Mexico. Such a district would be controlled by the dominion government. I do not know how this could be brought about, but if it has been done in other countries it can be done here. Then the other provinces would feel that this was part of their own territory, instead of it being a part of Ontario as at present.

Mr. KUHL: This resolution is an example of the many anomalies that exist in our present constitutional position, just alluded to by the hon. member who has just taken his seat. Canada claims to be a self-governing unit, so why should we not have a federal district under the control of the federal government, as is the case with the district of Canberra in Australia? In giving evidence before the special committee on the British North America Act, Doctor Beauchesne mentioned the creation of a federal district during a discussion on the need of a new constitution for Canada. On page 132 of the evidence he is reported as follows:

If we have a constituent assembly and if we discuss the making of a new constitution, I think it should provide for a federal district. I think it is an anomaly that dominion affairs should, to a certain extent, be subject to provincial authority. I would suggest that we have a federal district taking in about twenty-five square miles on each side of the Ottawa river.

And then on page 133 we find the following statement by Doctor Beauchesne:

If there was a federal district, in order to make that federal district attractive in a big country like Canada, I would suggest the creation by the government of a national park of 75,000 to 100,000 acres to the north and northwest of the city. I would suggest that as much as possible of the country round about the Laurentian hills be included in order to make the park beautiful and attractive.

That is a worth-while suggestion and the people of Canada should be made aware of the situation. If that were done, I believe they would demand that this and other anomalies which exist should be cleared up. All of our national matters should be arranged in accordance with our status as a nation.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 34, to authorize an agreement between His Majesty the King and the Corporation of the city of Ottawa.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Johnston (Lake Centre) in the chair.

DEPARTMENT OF TRANSPORT

Civil aviation division—

Airways and airports—Construction and improvements including lighting and radio facilities (capital), $1,722,400.

Hon. C. D. HOWE (Minister of Transport): This vote was discussed at great length on the last occasion it was before the committee.

Mr. REID: I should like to make a correction in connection with certain remarks of the hon. member for Fraser Valley (Mr. Barber) on Thursday last when this item was under discussion. I am sorry the hon. member is not present when this correction is being made. At page 804 of Hansard he is reported as having made a statement which I endeavoured to correct the following day. I was called to order before I could complete the statement I wished to make on that occasion. With reference to the two air fields the hon. gentleman said:

I am not blaming the minister personally. I would not accuse him of doing this. I know there was considerable pressure brought to bear

on him from the minister for British Columbia and from the hon. member for New Westminster.

I wish now to make a few remarks with regard to that statement. When I made the correction the other day, I disputed the statement and described it as false and untrue. I never at any time brought any pressure to bear either upon the minister or upon the Minister of National Defence in connection with this or any other emergency landing field. The situation was this, if I may briefly explain it. These two sites, that at Chilliwack and the Langley Prairie site, had been contracted for and had been under negotiation some time prior to the election of 1935. When the present government came into office, the matter was still under advisement in 1936, and it had been suggested to the then minister, under whose department it was at that time, that is to say the Minister of National Defence, that these sites should be looked into, because it was felt at that time that as far as the Langley Prairie site was concerned, it was not the best one available in the district. When this was brought to the attention of the Minister of National Defence, it was pointed out by his officials that the field had been chosen after careful flights by competent airmen of the department. I differed with the point of view of the airmen and as a matter of fact I still differ with them. That, however, is aside from the point at the moment.

The fact is that the negotiations had proceeded so far—at least the information given me by the minister was to that effect—that the title deed had been taken from one of the parties, a Doctor Saunders, who had agreed to sell his farm as an airport at $200 an acre. Not only had he given the deed over, but he had sold his buildings and contracted for another farm in the Sumas prairie, which is in the Chilliwack electoral district; and the department felt that it had then gone too far to stop. Hence, I understand, the negotiation was finally completed some time late in 1936. I am not sure of the exact date, but I want to make the record clear. At that time, that is in 1936, I protested against the emergency field being purchased at that point, and still do; but I found, as I have stated, that prior to 1935, beginning in 1932, the late government had taken steps to acquire property not only in Chilliwack but in Langley Prairie and that the emergency field at Langley Prairie would probably not have been proceeded with had it not been for the fact that the deed for the property had been handed over to the government and Doctor Saunders had sold everything he had and acquired a farm elsewhere.

That is the only interest I took in the matter at that time, and I take great exception to the remarks made by the hon. member for Fraser Valley, who made the accusation, stating that he knew that political pressure had been brought to bear by the Minister of National Defence and by myself. When a member of this house says that he knows something, I think he should be asked to produce proof. I would not state in the house that I knew unless I was prepared to back up that statement. On the floor of the house I have made statements which I have always been ready to back up, and I say that the statements which I am now making are absolutely correct in so far as any actions of mine are concerned. At no time did I bring any pressure of any kind to bear upon any minister in connection with these emergency landing fields. I am glad that the hon. member for Fraser Valley is now in his place, because I wish to tell him that I did protest verbally to the then Minister of National Defence, under whose jurisdiction the two landing fields were, that the Langley airport site was not the best available in my district; but that statement, I believe, was not corroborated by the officials of the department who have to do with the choosing of these fields.

As regards the other site at Chilliwack, my information is—and the minister can correct me if I am wrong—that it would have been gone on with at the time the matter was under the Department of National Defence, but for the fact that it had been brought to the attention of the department that the taking over of the site there involved a dyking charge running over twenty or thirty years, and the department was not willing to recommend to the government that such charges on that site be incurred. As time went on, the jurisdiction and authority over these airport sites changed from the Department of National Defence to the Department of Transport, under whose jurisdiction they now are.

I wish to make this frank statement to the committee now, and I am glad that the hon. member for Fraser Valley is here and I can correct him. I repeat that at no time, either by word or inference, did I ever bring pressure of any kind to bear upon the department or the minister or any minister either to go ahead with the airport site at the present site or to interfere with the one in the hon. member's own riding, the one in Chilliwack. I trust that this explanation, which I have made honestly and sincerely, will be accepted by the hon. member.

Mr. BARBER: As a member of this house I am in honour bound to accept the statement of the hon. member for New Westminster (Mr. Reid), and I am very sorry if the information I received, upon which my remarks were based the other night, was groundless. I am bound to accept, and I do accept, the statement of the hon. gentleman that he did not in any way use his influence in connection with the establishment or development of the airport at Langley. What I did particularly try to point out the other night was that the airport at Chilliwack, which was clear of fog conditions, was chosen by the officials of the department. I had nothing whatever to do with the choosing of it. The officials of the department flew over the site and surveyed the land from a plane. There was another field which some thought more desirable, being closer in, but owing to air currents they did not think it would be satisfactory.

The hon. member has referred to dyking charges. The option taken on the 160 acres at Chilliwack was $16,000, and apparently, at the time the option was taken, the dyking charge had been overlooked. On going into the matter they found that the total capital charge for dyking amounted to $50 an acre, and it was thought, as I discussed the matter with the present Minister of National Defence, that some arrangement could be made between this government and the government of British Columbia with a view to having a reduction in that capital charge. But even if that reduction had not been made, the total charge would have been $24,000—$16,000 for the price of the land and $8,000 to take care of dyking charge.

Even if, in the development of this field, a few thousand dollars more had to be expended, say a total of $30,000, there is quite a difference between $30,000 for a 160-acre port and $90,000 which is being expended on a 90-acre port in the fog district within ten or fifteen minutes' flying of Vancouver. So I tried to make it quite plain that some discrimination might have taken place; that the port which was more desirable from the standpoint of air men themselves was set aside, and that the other one the government has continued to develop. I accept the word of the minister that a lot of this expenditure had been made previously and was handed to him when he took office. A considerable portion was made under the defence department. But the substance of the complaint from the people out there, including many of the air men, is what I placed before the committee the other night and which I repeat to-night.

Mr. GREEN: What is the policy of the government with regard to assisting in the construction of airports which are not on the Trans-Canada airway? Many of the large cities of Canada are not on that airway, and some of them, no doubt, will be served by feeder lines.

Mr. HOWE: We have a particular vote for that assistance, vote No. 390. If the hon. member would not mind, I would prefer to discuss the matter under the proper vote.

Mr. GREEN: There have been reports in the paper that the government have purchased 600 acres at Patricia bay, which is on the southern end of Vancouver island, and there is some question whether this property is to be used as a base for transpacific flying or is merely for defence purposes. It is involving an expenditure of, I believe, several hundred thousand dollars. Would the minister explain to the committee what that airport is for?

Mr. HOWE: That expenditure is entirely for defence. It is in the defence department estimates. I know nothing of the details.

Mr. GREEN: It is not to be used for civil flying?

Mr. HOWE: No.

Mr. MASSEY: On Monday last I asked on the order paper, under notices of motion, for the production of papers and—

—all correspondence exchanged between the ministries of public works, labour, transport, or other departments of government, and the city of Toronto, in connection with the building of the Toronto airports on the Toronto island and at Malton.

That motion was passed as an order for return. The reason I asked for those papers is, as the minister may imagine, that there has been a great deal of discussion among those who are air-minded in Toronto as to the value, from the viewpoint of practicability, of the Malton airport. There was quite an agitation on the part of many who knew a great deal about flying and its hazards to have the Toronto flying club field on Wilson avenue enlarged and made fit for an emergency field for transport planes. The decision, however, was in favour of Malton. Would the minister be good enough to tell the committee what part the Trans-Canada airways played in that decision, and upon what the final decision was based? How was it that Malton, as far away from Toronto as it is, was selected rather than the flying club field which is immediately adjacent to the city and within twenty minutes by direct road of down town?

Mr. HOWE: My hon. friend will understand that the airports in Toronto are the property of the city. The department was asked to advise on certain matters. We reported on every field that the city of Toronto asked us to report upon. We prepared estimates of cost and reports as to the feasibility for flying. After these reports were in, the city of Toronto made their choice, and after they had done so we granted such assistance as we could grant under the order in council which governs contributions to municipalities. I should like to make it clear that the choice was that of the city of Toronto, and that this department was responsible only for advice as to physical conditions and estimated expenditures for development of certain properties that it was asked to report upon.

Mr. MASSEY: Did the department recommend the choice of Malton?

Mr. HOWE: The department did not recommend anything. It simply gave the facts?

Mr. MASSEY: Is the minister fully satisfied that Malton is the better of the two airports, from his point of view as being directly concerned with the operation of the Trans-Canada Air Lines?

Mr. HOWE: I cannot say which is the better, because I never studied the matter from that angle, but I can say that we regard the Malton field as potentially the finest airport which has ever been built on this continent. It seems to have everything.

Mr. GRAYDON: Hear, hear.

Mr. MASSEY: With all due deference to the opinion of the minister, and the enthusiasm of the hon. member for Peel (Mr. Graydon), which has manifested itself on so many occasions, there is an opinion, which is at times extremely vocal, that the Toronto flying club field is the better of the two. We are faced now with two rather unfortunate circumstances at Toronto in connection with our air field. The one on the island is, after all, on an island; and the other evening in this chamber the hon. member for Davenport (Mr. MacNicol) was directly concerned at the thought of the use of a chain ferry for the transportation of passengers to and from the airport. It is obvious that an island airport has its disadvantages from the point of view of accessibility when there is a connecting tunnel or a bridge. We in Toronto possess the advantage of having an island upon which an aerodrome can be erected, and when one considers the experience in Boston, a city the minister well knows, with its excellent airport suitable for both land and sea planes immediately adjacent to the city, we are pleased to have the airport in a similar situation, but there is some little concern voiced about efficient transportation to and from the island. The minister has explained that that is a matter for the city of Toronto to solve. We are also faced with another awkward situation. The Malton airport is at least forty-five minutes away from the centre of the city of Toronto, away out in the county of Peel.

Mr. THOMPSON: In the bush.

Mr. MASSEY: On the other hand, the flying club field is at most twenty minutes from downtown, connected by a very broad highway most of the way. May I ask the minister, if there should be a great rush of traffic as a result of the new air line necessitating a change in the future, would the choice again be that of the city of Toronto or would it be that of the Trans-Canada Air Lines, in view of the feeling that the inconvenience caused passengers by having this field so far out justifies a port nearer the city? Surely we have the experience of Buffalo just across the lake to keep us free from an error similar to the one that was made there. One has to drive for forty-five minutes from downtown Buffalo to reach the aerodrome, and now that city is faced with the obligation of establishing its airport nearer to the city, at very heavy cost. We are hoping that the Trans-Canada Air Lines will be successful. If this is so, then the Malton airport will prove to be too far from the city, and then perhaps we shall have an airport near Toronto itself. If such should be the case, would the minister inform the committee whether the Trans-Canada Air Lines would be prepared to share at least part of the cost of doing what many feel should have been done in the first place, or must we assume that for many years to come this airport at Malton will be maintained?

Mr. HOWE: I am unable to answer my hon. friend's question, for the reason that my mind cannot comprehend a city having two expensive airports which would give any consideration at all to building a third. If my hon. friend can contemplate Toronto with three large airports, I shall take the question under consideration and try to answer him at a future time.

Mr. GRAYDON: This is one of the few occasions on which I disagree with the hon. member for Greenwood (Mr. Massey). I must take this opportunity to point out to

the committee, and particularly to the minister, that if any surprise or concern was felt in the city of Toronto or elsewhere as to the suitability of Malton for an airport, that concern and surprise were not shared by the citizens of the banner riding of Peel. May I also point out one of the erroneous statements the hon. member for Greenwood made in the course of his remarks; he said Malton airport is forty-five minutes from the centre of Toronto. If the hon. member took pains to find the exact travelling time he must have done it on a bicycle, not by modern fast forms of transportation. As to the means by which some hon. members from the city of Toronto travel, I have no particular information, but in travelling time Malton is much nearer to Toronto than forty-five minutes. Having ridden with the hon. member for Greenwood on a couple of occasions, I would say that perhaps fifteen minutes, or twenty at the outside, would be enough for him.

Mr. MASSEY: May I say to the hon. member for Peel (Mr. Graydon) that I appreciate his comments with regard to my suggested prowess as a driver. May I assure him that I referred to the Malton airport as unfortunate in its location not because it is in the county of Peel, but because the county of Peel is so far from Toronto.

Mr. BARBER: I notice by the press that planes crossing British Columbia between Lethbridge and Vancouver have been forced to cancel several trips owing, I believe, to cloud conditions. Is it the opinion of the minister or his officials that this difficulty can be overcome by flying at higher altitudes, or shall we be up against it for all time?

Mr. HOWE: In the last few days every plane from Mexico to Alaska has been grounded. One plane unfortunately would appear not to have had as good weather reports as we have, because it went too far into the clouds, sought to turn back, and has not been heard from since. I think the fact that our results have been what they are is due to the accuracy of our weather reporting and to the good administration of the line generally. This unfavourable weather was a local condition; our people located it and kept the planes from getting into trouble.

Mr. CHURCH: I should like to ask the minister a couple of questions as to the construction of this airport and on what principle airports are constructed. With all due respect to the hon. member for Peel, I would say that he certainly put it over the city of Toronto, except that he did not have anything to do with it, did not know anything about it, and I doubt if he knew the airport was going there. I have a return here to an order of the house, and I know the three eminent gentlemen and famous soldiers who approved years ago the airport on the sand bar on the west end of Toronto island. Major Handley Page is a man of the highest authority, General Ray Collishaw, M.C., D.S.O., is a young man born in British Columbia, one of the leading airmen in the world to-day. The late Colonel William G. Barker's name is known to everyone; he it was who brought down seventy-four planes and won the Victoria Cross in the great war. I took them out on a tour of the harbour improvements many times and to see the proposed sites for an airport. No one ever complained about tall buildings. I have a great respect for the present minister, but I should like to know whether the construction of these airports is being carried out on the same basis as the mistakes made at the western entrance to Toronto harbour. I have here the correspondence laid on the table by the minister, and I am surprised that there should be such a lack of business methods on the part of the present government in connection with this airport at the western end of Toronto harbour, linked with another one in the country at Malton which, in my opinion, is entirely unnecessary. The Minister of Finance (Mr. Dunning) is concerned in this, having to find the funds for all this expenditure.

It will take a long time to travel between Malton and Toronto in a motor car; you will find yourself served with blue papers and white papers, going through five or six municipalities trying to maintain their police forces by fines. This return shows the log-rolling and politics brought into play to get them to cancel that agreement made by the late government of a million dollars for a tunnel and airport. The former minister was a competent minister; the delay getting the contracts let was owing to financial conditions. Some of the Liberal candidates in the city of Toronto and Ontario at the last election took part in this rescission campaign, and in getting the present government to make a scrap of paper of the former government's bargain made with the harbour board and the city, which has spent so much on the harbour.

Let me tell the minister not to mind who his advisers are to-day; these men who approved that airport are distinguished airmen whom I named, who fought in France and Flanders and Italy and obtained decorations. They surveyed the western entrance site and lake there. The present minister is not to blame, but I am surprised that the government took such spendthrift action. I should

like those who are speaking about the heavy taxation for the boards of trade and chambers of commerce of the country to read this return and see the political log-rolling that took place. There has been about $150,000 wasted on the tunnel; they might just as well have thrown into Toronto bay the cost of abandoning this contract. The city and the harbour board could sue the government to-day in the exchequer court. I was on the Toronto harbour board for twenty years and chairman for some years, and I have the opinion of legal experts that the government is under a contract to build two bridges there, and is liable to the city and the harbour commission for the damages they sustained through the cancellation of that tunnel work.

Has any improvement resulted from either a military or commercial point of view by going out to this remote place? No. I have seen airports in many other cities which show that this talk about the menace of high buildings around Toronto is a myth; there are just as many in other places. I accompanied these officers and many others. I knew them for years; we went over the ground at the island daily, in bad weather and good, and they were of opinion that that was the logical place. I may not know as much about this problem as the ministers' experts—I know some of the gentlemen and have great respect for them—but the Borden government established a Royal Air Force centre in Toronto; 18,000 cadets and mechanics were trained there during the war and British officers came here as instructors. I have spoken to many of these men; many are decorated men, and their opinion is the same as that of the officers I have mentioned, that the island was an ideal place.

What is there at this place called Malton? You have to build roads and all kinds of things which will run into hundreds of thousands of dollars. The city of Toronto is spending money out in the country for the benefit of surrounding municipalities, and the government compelled them illegally to do this. With all the suffering there is in the country to-day, the government is going too fast with these expenditures. Toronto is the only city I know of that is putting up this capital sum to be a link in this Canadian service. What other municipality is doing this? Is Montreal? No; Montreal has not been asked to do what Toronto has done. There are plenty of buildings around the harbour at Montreal. Something ought to be done about this matter; it ought to go to some committee of this house to be looked into, including the abandonment of the work started by the former government. The committee will see the unbusinesslike methods of the present government in the handling of this airport problem in the Toronto district, where they virtually coerced the taxpayers into spending what will amount to a million dollars before they are finished.

Mr. CLARK (York-Sunbury): Are the Brockway and Blissville air fields to be finished this year?

Mr. HOWE: Yes; it is the intention to proceed with that work this year.

Item agreed to.

Airways and airports—operation and maintenance including lighting, radio and meteorological services, $910,669.

Mr. GREEN: Apparently this item includes the inspection service. Just what inspection services does the government supply? That is of great importance now that we are opening up our airways across Canada.

Mr. HOWE: This vote is for the operation of the physical properties having to do with our airports. It has to do with the cost of operating the airports themselves, the meteorological service, the radio beams and all the auxiliaries to flying as far as ground facilities are concerned. There is nothing here about inspection.

Mr. GREEN: Which vote does cover the inspection service?

Mr. HOWE: Item No. 385, covering air service administration, which was passed a few days ago.

Mr. GREEN: What inspection services are supplied by the department?

Mr. HOWE: Well, we have six districts across Canada, with two inspectors in each district. Those inspectors inspect the logs of the planes, watch overloading, check the airworthiness of the machines, examine pilots and have general supervision over all flying in their districts.

Mr. GREEN: Do they also cover the flying in the north country?

Mr. HOWE: Entirely. They inspect landing fields, approve routes and have everything to do with safety in flying.

Mr. GREEN: I notice an increase of about $100,000 in the vote for temporary assistance. Would the minister explain that?

Mr. HOWE: The increase in this vote is due to the fact that we have more facilities to maintain now. As we build more airports and extend our operations further, of course the operating expenses of the airports in-

crease. The vote is larger this year because we are making provision for the inauguration of the eastern end of our service to Montreal and Toronto this year.

Mr. GREEN: Does the vote include any expenditure in connection with the trans-atlantic service?

Mr. HOWE: None at all.

Mr. LENNARD: I notice that this item is partly for meteorological services. Will the minister explain why meteorological services are included in this vote when item No. 391 is a vote for meteorological services?

Mr. HOWE: The vote for meteorological services generally is for the services that have been performed for a great number of years, but the meteorological services included in this vote are those pertaining directly to the airways. It includes the cost of a teletype service connecting the fields and forecasting centres along the route, as well as spot observers. It is simply the services directly pertaining to this route. Of course the airways have the benefit of all the observations that are paid for under the other vote as well.

Mr. MARSH: I note that this vote is increased by $52,000, and after looking at the items which are included I am not surprised at that. I note that the minister is paying due attention to what might be considered one of the prime requisites of safety in flying, by making plans for proper meteorological service. I see that there is to be one controller, a climatologist, six weather forecasters, eight meteorologists, several meteorological observers and a clerical staff numbering a score or more, all of whom are necessary. I assume that this meteorological service will include barometric readings, charts, weather maps and information regarding the storm routes and channels.

There are a number of questions I should like to ask. At what places will this equipment be centred? Will it be located at the various airports across the country, and in addition will there be stations at points where, because of the geological formation of the country, it would appear advisable to locate a meteorological station? Also, will there be a meteorological station at Hamilton? I do not ask that question because of any selfish motive on the part of the city of Hamilton. The meteorological bureau in Toronto, which forecasts weather for Ontario, can do so with, we shall say, about seventy-five to eighty per cent success in coverage of the province as a whole. But down in the Niagara peninsula, due to the fact that it is at the tail end of about three storm routes, the forecasting in connection with weather is not more than about fifty-five to sixty per cent correct. And in saying that, I do not cast any reflection on the meteorological bureau at Toronto.

Mr. HOWE: While Toronto is the headquarters for the entire service, we have forecasting centres particularly for aviation at such points as Vancouver, Lethbridge, Edmonton, Winnipeg, Kapuskasing and Montreal, and later on there will be a forecasting station at Moncton. I assume, when the line pushes west from Toronto, there will be a forecasting station at Windsor as well. At the forecasting centre, maps are drawn at two hour intervals, and the forecasts which the pilot needs, when he is under the control of that particular centre, are telephoned to him according to the weather which is interpreted for that locality. That is, when the pilot is near a forecasting centre, he is controlled by the weather reports from that station, but of course all weather reports are sent on the teletype from coast to coast. The teletype also carries reports from the United States and spot observations along the route of the Trans-Canada line, so that the forecasting is available not only locally; the weather maps cover the whole country as well.

Mr. MARSH: I assume, then, that there will be other weather stations apart from the airports?

Mr. HOWE: Oh, yes. We have had a very fine meteorological service in this country for many years. The airports are a special service in addition to the usual meteorological service. But we have meteorological stations controlling the agriculture and weather maps service, and service to ships at sea, which is more or less independent of this service.

Mr. BROOKS: I notice in the year 1937-38 there was an item of $12,400 for expenses in connection with the training of pilots, and the awarding of the Webster trophy. This year it has been dropped. Does that mean that there will be no competition for the Webster trophy in 1938-39?

Mr. HOWE: That award was a joint vote between the Department of National Defence and the Department of Transport. By agreement with flying clubs we have made different arrangements. I am advised by my officers that the award will be continued, and that the vote was to pay for the expense of judging the candidates for the award. That is being taken care of in the civil aviation vote, as part of the departmental expenses. Although the vote is different, the result will be the same.

Mr. BARBER: In connection with lighting and radio service, are all the fields in the west, and particularly in the mountain section, to be lighted and supplied with radio service, or just certain fields?

Mr. HOWE: What we describe as the hundred-mile fields—as a matter of fact they are a little closer together than that—will be completely lighted. Those fields are regarded as essential in twin-engine, high-speed flying. The intermediate, or thirty-mile fields, which are not main fields, will have boundary lighting, but the runways will not be lighted to the extent they are lighted on the main fields.

Mr. BARBER: What about radio?

Mr. HOWE: The radio beams are located at intervals of about one hundred miles.

Item agreed to.

Grants to aeroplane clubs, including grant of $5,000 to the Canadian Flying Clubs Association, $60,000.

Mr. GREEN: This is one vote which I think the minister might increase. The other day he said that the training of pilots and ground crews in Canada was on a rather haphazard basis. I suggest to him that if a larger grant were made to these clubs; if more aircraft were given to them, and if new clubs were established, this might go some distance in overcoming the present difficulty in training pilots and ground crews.

Mr. HOWE: The training clubs are on a better business basis to-day than they have ever been. The way to encourage training clubs is not necessarily to give them large grants, but rather to give them such help as they need to run their clubs efficiently. We find that by following that procedure we are getting efficiency in the clubs.

This vote is the same as was given last year. With the help indicated in this vote the clubs are working into first-class financial position; some in the larger centres are becoming quite affluent. If we doubled or trebled the vote, I doubt if we would get any better service than we are getting to-day. I know of no club which has not sufficient equipment for its work; in fact, some have more equipment than they really need.

Some discussion has taken place as to whether or not the clubs are willing to give more advanced training. We do not want all the clubs to have advanced training, but we think an advanced training school for certain districts could be organized. I have told the clubs that if they can work out practical arrangements which would be satisfactory to themselves and to officers of this department, we would then consider a further grant to help them in the next step in flying. I may say that the grants to clubs have varied from the sublime to the ridiculous. The following list will indicate the amounts which have been given:

1927-28	$ 47,000
1928-29	165,000
1929-30	117,000
1930-31	84,000
1931-32	37,000
1932-33	20,000
1933-34	22,000
1934-35	30,000
1935-36	74,000
1936-37	109,000
1937-38	60,000

After a good deal of study we have come to the conclusion that these clubs can function very well on about $60,000 a year, until some further advanced training is undertaken.

Mr. GREEN: If the clubs should cooperate, as the minister suggests, and if they set up more advanced training schools, is the vote large enough?

Mr. HOWE: If a conclusion is reached before parliament prorogues, we may consider additional aid; but if not, the grant will have to stand for this year. There is no great urgency in the matter.

Mr. GREEN: How are the clubs divided? How many are there in the different provinces?

Mr. HOWE: There is the Aerial Club of British Columbia, the Brandon Aerial Club, the Brant and Norfolk Aerial Club, the Border Cities Club, the Cape Breton Flying Club, the Calgary Aerial Club, the Edmonton and Northern Alberta Club, the Fort William Aerial Club, and other clubs at Halifax, Hamilton, Kingston, Kitchener and Waterloo, London, Moose Jaw, Montreal, Ottawa, Regina, St. Catharines, Saint John, Saskatoon, Toronto and Winnipeg.

Mr. GREEN: Does the government take steps to help in the promotion of clubs, or are they started by groups of individuals in different localities?

Mr. HOWE: The association of flying clubs has an efficient secretary in Mr. Ross, who looks after that part of the business very well. I know that with his help there is no trouble in starting a club.

Mr. LOCKHART: I noted the minister made reference to the different clubs throughout Canada which are receiving assistance. May I join with the hon. member for Vancouver South in urging that increases be given. The matter of financing is part of the difficulty of municipalities which are mak-

ing a real effort to maintain flying clubs in their districts. Many municipalities have been making large contributions to these clubs. Just recently I received a communication to the effect that because of the relief situation it may be necessary to raise the tax rate in my own particular locality. If this vote were increased, I think it would prove encouraging to the clubs and enable them to provide better facilities. It would also be of some assistance to the municipalities which may be contributing from $1,000 to $1,500 or $2,000 to these clubs. Could the minister not consider making some increase in connection with those clubs which are being assisted by the municipalities?

Mr. HOWE: I imagine the main difficulty my hon. friend finds with his club is that it is situated only thirty miles from Hamilton. Perhaps there is not sufficient distance between the two cities to permit both clubs to prosper. Our reports indicate that the hon. member's club is doing very well, and I know he has contributed a good deal himself to its success. He takes a great interest in the club. I say again that the way to make these clubs efficient is not to give them large sums of money. The hon. member's club is in good financial shape, and it is being kept that way because everyone is on his toes. You will find many people ready to take up a plane if it does not cost anything.

Mr. LOCKHART: I do not think the minister got my point. Municipalities are finding it difficult to-day to strike their tax rates. I just received a notice from my own city to the effect that unless some adjustment was made in the relief situation, it would be necessary to increase the tax by three to four mills. That municipality is contributing to the airport at which many pilots have been trained.

Mr. HOWE: Could my hon. friend state what his city contributes to the club annually?

Mr. LOCKHART: I do not know the exact amount, but I know they are paying a good portion of the rent and making other contributions. During my term in municipal office the hangars were completely remodelled and other assistance was given. All these contributions help to raise the tax rate. I was wondering if further assistance could not be given in some way, as suggested by the hon. member for Vancouver South.

Item agreed to.

To provide for contributions to assist municipalities to improve existing airports or provide new airports, $800,000.

Mr. BARBER: What is the basis upon which assistance is given to municipal airports?

Mr. HOWE: We found that practically all the cities along the Trans-Canada air route had civic fields in various stages of completion. Vancouver had spent a great deal of money on a field, and the same was true of Calgary, Edmonton, Lethbridge and other cities along the route. But practically none of these fields was up to the standard required for high speed planes. Most of the fields were put into operation in 1928 and 1929 when landing speeds of aeroplanes were much lower. Many cities were not in a financial position to put the fields into the shape necessary for high speed flying, and a policy was laid down whereby the government agreed to give assistance to those fields necessary for a Trans-Canada service. This was in the form of a grant of one-third of the investment made by the city in its field; or if that contribution was not sufficient, then the government would join with the city by paying twenty-five per cent of any further investment made in the field. The government contribution is in the form of a grant, the ownership of the field remaining with the city. This aid is confined to fields required for the Trans-Canada service.

Mr. BROOKS: I understood the minister to say the other evening that the Trans-Canada service would have its eastern terminus at Moncton, and Halifax, Saint John and Charlottetown would be dependent upon private service. Would this vote provide any money for air fields in large centres like Saint John, Halifax and Charlottetown? It would seem to me to be rather unfair if those centres were left to their own resources as far as the providing of air facilities is concerned. I have nothing to say with regard to the controversy which is raging in certain sections of the maritime provinces over the report that the airport is to be at Moncton; I simply want to know if these centres will receive consideration under this vote.

Mr. HOWE: There has been a good deal of misunderstanding over my statement. As I said, it is the intention to extend the Trans-Canada service to all the principal centres in the maritimes. Whether this service is undertaken by government or private operation, it would still be Trans-Canada service and those cities would qualify for this grant. We are in negotiation with three of them at the moment and one was assisted last year. Similarly the cities in the Saskatchewan loop, such as Moose Jaw, Saskatoon, Prince Albert and North Battleford will be part of the Trans-Canada service, although the service will be given by private rather than by government operation.

Mr. BROOKS: Why is it called a feeder service?

Mr. HOWE: Because we do not run around that way in going to the coast.

Mr. BROOKS: I mean at the eastern end.

Mr. HOWE: You can call it what you like, but the fact is it is a trans-Canada service.

Mr. BROOKS: The services from Halifax to Moncton and from Saint John to Moncton were called feeder services the other night.

Mr. McIVOR: Through the efficiency of the Department of Transport we shall soon have a fine air field at Fort William. Our city council are most enterprising and enthusiastic and they have great visions for the future. A by-law was recently passed to provide $40,000 for this purpose, but a local paper at Ottawa had the amount as $400,000. The amount increased greatly in the passage of the news from Fort William to Ottawa. We appreciate the advertising which we received from the Ottawa paper, but I wanted to make this correction.

Mr. BETTS: I should like to commend the department for increasing this vote by $300,000, but in my opinion we are still far behind in the pace we should set in developing our air transportation. There is no country in the world with such an enviable record as Canada as far as the exploits of flying men in the war were concerned. There is no country where private enterprise in the development of aviation has gone ahead as fast as in Canada. But there is no civilized country in which the government has hung back more lamentably. A grant of $800,000 for the assistance of municipalities to improve existing airports or to provide new airports is merely a drop in the bucket. As far as this type of transportation goes, we are still in the backwoods. Sums of money are being spent on public buildings and other public enterprises which had far better be diverted into the Department of Transport and devoted to this very item. I would ask the minister not to grow weary in well-doing but to press onward and go in for more development and help the municipalities, providing for better air fields everywhere, because that is money which will pay big dividends in the near future.

Mr. LAWSON: I would refer back to the question asked by the hon. member for Fraser Valley (Mr. Barber) in order that I might have a little clearer picture in my mind of the basis of these grants. Am I correct in my interpretation of the minister's answer? Let me assume that the municipality has spent $300,000 on an air field. The department decides that it is to be a landing field in the trans-Canada system and that it needs further moneys expended upon it for the purpose of bringing it up to the required standard. Does the department thereupon automatically advance to the municipality by way of grant an amount not exceeding in the aggregate $100,000 without the municipality first putting up any more money?

Mr. HOWE: Yes; we survey the needs. Take an airport such as my hon. friend has mentioned where $300,000 has been spent. If we find that it needs the expenditure of another $100,000 to bring it up to standard, we grant the city the full $100,000. If $200,000 is required, we grant $100,000 on past work and another $25,000 against the city's $75,000 for future work.

Mr. LAWSON: And the same rule will be applied to all municipalities?

Mr. HOWE: All municipalities that we require for our services.

Mr. CLARK (York-Sunbury): Fredericton, the capital of New Brunswick, is situated near the main Trans-Canada line. Will this contribution apply to that city when the situation there warrants it?

Mr. HOWE: I dislike giving snap judgments on such a situation, but if Fredericton will write to the department we shall go into the matter, send our engineer down and have the field looked over.

Mr. GREEN: In connection with an earlier item I asked the minister whether he could tell us the policy of the government in regard to assisting cities that are not on the Trans-Canada airway. I asked what assistance would be given in the construction of airports in such centres, and was told that I should have to wait until this item came up. Can the minister tell us now what the policy is?

Mr. HOWE: We do not lay down blanket policies for situations we know nothing about. If my hon. friend will mention some specific situation, we shall look into it and see what help can be forthcoming, but we have no general policy for situations of that kind. Our staff is so busy in this particular work, which we hope to finish this year—the work of getting the Trans-Canada under way—that we can not spend much time on these other problems. If my hon. friend has one particular problem in mind, we shall be glad to look into it.

Mr. GREEN: I have not any one particular problem in mind. At any rate, the depart-

ment has not laid down the policy that it will help only those cities that are on the Trans-Canada airway or on certain feeder lines?

Mr. HOWE: We have not laid down any policy that excludes any project; but if there is an urgent case where help is needed and if such help is justified by the activities, we shall look into it, and under such circumstances perhaps we might be able to give assistance.

Mr. GREEN: Whether it is on the Trans-Canada airway or not?

Mr. HOWE: Yes.

Mr. LAWSON: Are there municipalities in which the department will require fields for Trans-Canada airways, in respect of which there has not been money already spent by the municipality upon a landing field? If so, what would be the policy with respect to grants to such a municipality? Suppose you were going to create a new airport.

Mr. HOWE: We have one fairly close to home. We have formed no policy with respect to it but are using the military field. The Ottawa situation is the only one I can think of, and I assume that is the one my hon. friend has in mind. I do not know what the outcome will be.

Mr. DUFFUS: It has been reported that negotiations have been going on for the purchase of a property near the city of Oshawa. Is that for civil or national defence purposes?

Mr. HOWE: It is not civil purposes and I have no knowledge of it.

Mr. McINTOSH: In the discussion that has ensued with respect to the $800,000 item for assisting municipalities in the matter of air transportation, the hon. member for London made a statement the intent of which was that we were not progressing perhaps as satisfactorily as we should as a young nation as far as air development is concerned. I would call the attention of the committee to the position as it existed when the opposition as a government were in power.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Sit down.

Mr. McINTOSH: It will take only a minute or two.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: I should like to have order, Mr. Chairman, if there is such a thing. In 1930 when the Liberal party was defeated at the polls, we had an air mail service from Moose Jaw through Saskatoon and North Battleford to Edmonton. The new government had been in power for only a very short time when that service was scrapped and never renewed. Meanwhile, on the basis of that service, the city of North Battleford, as a young centre, went to work and spent a good deal of money in developing an air field, providing for requisites in a local way in order to adapt itself to the new trend in air transportation.

This government has been in power about two years and during that time has taken hold of the air transportation situation in a progressive way. All I need do to prove that statement is to refer to the record put on Hansard a day or two ago with regard to the northern feeder service in Saskatchewan. As I pointed out, in that province the feeder air line service, with Regina as the base, will be in operation in a few months, and that feeder air line service will have a five-city tie-up—Regina, Moose Jaw, North Battleford, Prince Albert and Saskatoon. That is a splendid beginning. We expect that further developments will take place; that the air connection which we have lost between North Battleford and Edmonton will be regained in the near future, and that as a city we shall have continuous contact with Edmonton and other points into the far north. In so far as the present government is concerned, it should be commended for the policy it has adopted and the progress it has made in air transportation not only provincially but nationally.

Mr. BROOKS: Can the hon. gentleman tell us whether this transportation in the north has been carried out by the government or by private concerns?

Mr. McINTOSH: The feeder air line service has been carried out by private companies encouraged by the non-disruptive combination policy adopted by this government.

Mr. LAWSON: It does seem a far stretch from the discussion of a national air transport service to air mail contracts prior to 1930. The remarks of the hon. member for North Battleford compel me, however, to call to the attention of the committee the fact that the service concerning which he has spoken was not an air mail service wherein and whereby planes were owned by the government or by the people of the country. What the hon. gentleman is referring to is the fact that when the Conservative government came into power in 1930, it found itself

in the position of falling revenues with a depression already started, and loaded with air mail contracts made by the previous government with private corporations at fabulous prices. I cannot speak with certainty with reference to the contract to which the hon. member referred, but I can speak with certainty regarding one contract to carry mail from the city of Toronto to the city of Buffalo. The contract was so improvident—

Mr. McINTOSH: You are talking about only one contract.

Mr. LAWSON: Well, I cannot talk about more than one at a time.

Mr. McINTOSH: Evidently.

Mr. LAWSON: The hon. member was talking about only one. That contract was so improvident that it was costing the government of this country fifty cents per letter in addition to what was paid by the person who had to put stamps upon the letter. Under those circumstances, the previous government found it necessary to curtail those air mail services. It was not a question of curtailing the national development of a national airways service.

Mr. HOWE: This is all out of order. We are discussing at the moment aids to municipalities. Could we get back to the subject?

Mr. ESLING: Has the minister received any plan and proposal for a feeder landing field at the city of Nelson, which is the capital of the Kootenay country?

Mr. HOWE: It is very difficult to find a field around Nelson. We have examined the situation, but we have not given up hope; we shall look into the question further, and if there is a possibility there, we shall pursue the matter.

Mr. ESLING: This city of Nelson is an ambitious city. In order to provide a proper field it is necessary to build a river wall and to reclaim a considerable area of land. In such a case, could the city be assured of one-third of an expenditure up to the sum of $100,000, under this present policy of municipal aid?

Mr. HOWE: I think this is hardly the place to go into a large project of that kind. The building of an air field for Nelson is a half million dollar project anyway, and it requires a good deal of study. I shall be glad to take the matter up with the proper authorities at Nelson when the proper time comes.

[Mr. Lawson.]

Mr. GREEN: Will the minister give an explanation as to the amount of money that has been paid to the city of Vancouver in this connection? We understood last year that $160,000 would be paid, but I believe that amount has not yet been paid.

Mr. HOWE: We decided that an expenditure of $90,000 was sufficient to put the Vancouver airport into the shape required for our work, and we granted Vancouver that sum last year.

Mr. GREEN: Has that money all been paid?

Mr. HOWE: Yes.

Mr. GREEN: Is any more to be paid?

Mr. HOWE: If further improvements are required, Vancouver is entitled to a further grant on the basis of the money the city has spent.

Mr. STEWART: I notice that there is an increase of $300,000 in this item over the corresponding item of last year. Has the minister any details of the directions in which he proposes to expend this increase?

Mr. HOWE: We have made a general survey of the work that we think is required, but it is hardly down to the point where we can detail it. This is a blanket vote, but we think about $800,000 will do the work which we are trying to do this year; that is as near as we can survey it.

Mr. LENNARD: Is the airport at Hamilton, Ontario, one of those under consideration to be improved under this feeder system?

Mr. HOWE: We sent a contract to Hamilton as a result of negotiations, and the good people of Hamilton are holding it unsigned, as far as I know.

Item agreed to.

Meteorological division—

Meteorological service, including allowance of $400 to L. F. Gorman, observer at Ottawa, $426,000.

Mr. LAWSON: Is the allowance some special remuneration in addition to the regular salary, or what is the purpose of it?

Mr. HOWE: It is made to a civil servant who has been doing this work for many years. He is very highly trained in it, and by arrangement with the department concerned we allow him $400 for the work.

Mr. MARSH: Does this item of $426,000 include the meteorological service that we have been getting from year to year, or does it concern the air service only?

Mr. HOWE: This is a vote for the services that we have been providing for many years. It provides the weather reports, the services to agriculture and the service to ships at sea. It covers about a thousand observation stations at various parts of Canada, the cost of wiring in information, the cost of compiling it, and the cost of wiring it out to the points where this service extends.

Mr. MARSH: And this will be available for use of the air service and can be harnessed to fit in with your needs for this work?

Mr. HOWE: Both services are run by the same organization. The director of meteorology is also the director of the weather service for the Trans-Canada. But the service that is specifically for the Trans-Canada is not included in this vote. It is included in the vote we passed two or three items earlier.

Mr. CLARKE (Rosedale): Why, on page 212 of the estimates are the amounts shown as $426,000 and $416,800, and on page 46 the totals are shown as $426,500 and $417,800? Is that a typographical error, or what accounts for the difference of a thousand dollars?

Mr. HOWE: It must be a typographical error. The proper amount is $416,800.

Mr. CLARKE (Rosedale): I do not understand that.

Mr. HOWE: It seems to be a typographical error. The correct amount is $416,800.

Mr. MASSEY: There are two other items in there.

Mr. CLARKE (Rosedale): That is what I cannot understand.

Mr. HOWE: I have not the same book as the hon. member has. The vote for this year is $426,000. The vote last year was $416,800. Is that what my hon. friend is referring to?

Mr. DUNNING: The total of the details of this vote on page 212 is $426,000, and the total of the vote itself on page 46 is also $426,000. There is no error as far as I can see.

Mr. CLARKE (Rosedale): Quite so, but the following item of 1937-38 is $417,800, and on page 212 the figure is given as $416,800.

Mr. DUNNING: The Kingston observatory is included in the one case and not in the other. It is shown as a separate item; it is not an error at all.

Item agreed to.

Grant to Kingston observatory, $500.

Mr. MASSEY: Is this the only observatory that receives a grant, and if so, why not others?

Mr. HOWE: At the inception of the meteorological service arrangements were made with the Kingston observatory to do certain scientific work for the weather bureau, and that work has been maintained by Kingston since then. It is a very old vote, and we continue to make Kingston a grant for that service.

Mr. MASSEY: Does the Dunlap observatory make any contribution to the service at all?

Mr. HOWE: We work very closely with the university of Toronto. Practically all our advanced students are graduates of that university; our staff give courses at Toronto and we interchange equipment. Certain of our equipment is located in the university of Toronto.

Item agreed to.

Radio division—

Administration of the Radiotelegraph Act and regulations, $100,775.

Mr. LAWSON: I want a good deal of information about this.

Mr. HOWE: This is not the one the hon. member is looking for.

Mr. LAWSON: No; but I should like the minister to be good enough to make a distinction for me here. This is for administration of the Radiotelegraph Act and regulations. Item No. 395 is for suppression of local electrical interferences. When I turn to the details I find that under item No. 393 there is apparently a chief inspector and so many inspectors, and similarly in item No. 395. Does this first item relate to the cost of dealing with the inspection of stations other than individual receiving sets and interference with them, and does item No. 395 deal with interference with the individual receiving set; what is the difference between the two?

Mr. HOWE: This vote, item No. 393, is for the administration of the Radiotelegraph Act, which has to do with all matters affecting the administration of radiotelegraph, ship to shore communication, and use of wave lengths over the whole dominion. For instance, the broadcasting corporation administers everything connected with broadcasting, but it is under the Radiotelegraph Act as to the distribution of wave lengths. The administration of the allocation of wave lengths between

private broadcasting, communication with airplanes, point to point radio communication, shore to ship radio communication, and radio direction finding, comes under the Radiotelegraph Act. It is the duty of this department, under this vote, to carry out the regulations and provide all inspection facilities and the technical services required to administer that act.

Mr. LAWSON: Then this item does not deal with the inspection of individual radios?

Mr. HOWE: Not at all, no.

Mr. LAWSON: Would the minister be good enough to give the reasons for the increase in this item? Is it merely statutory increases?

Mr. HOWE: Restoration of statutory deduction, $3,413; statutory increases, $1,170; sundry promotions, $930.

Mr. McLEAN (Simcoe): I intended to ask the minister a question under an item further down, but his remarks prompt me to ask it under this item. Is it the intention to broaden the regulations and requirements applying to freight ships plying on the great lakes? At present I believe the shipping act requires that ships of 5,000 tons gross or more have wireless sets and an operator on board, and even those ships may be exempted under certain conditions.

Mr. HOWE: If my hon. friend will allow this item to pass, the item he wishes to discuss is No. 394, direction-finding stations.

Item agreed to.

Radio direction finding stations, radio beacons and radiotelegraph stations, operation and maintenance, $634,324.75.

Mr. McLEAN (Simcoe): May we expect that these regulations will be extended? Certain happenings in recent years indicate the necessity of having them extended and stiffened. Hon. members will recall that a year ago last fall a ship, the Sand Merchant, was lost on lake Erie with all on board, a crew of nineteen, under circumstances which would indicate that if there had been proper ship to shore communication those lives probably would not have been lost. Again, during the past season the Calgadoc, a ship which ordinarily plied on the great lakes, was lost with all on board somewhere in the vicinity of Newfoundland. There was no ship to shore communication and nothing was known as to what happened to the ship. Particularly in Ontario a large number of men are occupied in manning freight ships that ply on the great lakes. Under the best of circumstances their occupation is extremely hazardous. They are in a less favourable position than many other labouring men in that during their working season they are scattered on boats all over the great lakes, and after the season is over they are scattered all over the province in small groups. They have no strong organization, and so many of them are out of work and so keen to get jobs on the ships that it is difficult for them to speak for themselves with any degree of force in connection with regulations relating to safety. Under those circumstances I think the time has come when the regulations under which freight ships operate ought to be revised.

I have information from some officials of the department that experiments are being carried out in connection with telephone communication from ship to shore and that it is intended to have a conference with authorities from the United States with a view to having uniform regulations applying to Canadian and United States ships on the great lakes. I know a large number of seamen and their families in Ontario would like an assurance from the minister that the department will take up at an early date the revision of the regulations affecting the conditions under which the seamen of Ontario operate, especially on freight boats on the great lakes, in order that when these ships get into trouble, as they often do during the bad weather, these workmen may have some chance to preserve their lives.

Mr. HOWE: We are giving constant study to that problem. A year ago last autumn we put into force for the first time a provision for compulsory wireless operators on freighters of 5,000 tons and over. Since then we have been trying to solve the problem of the smaller ships, and I think we have arrived at a satisfactory solution. We have established radiotelephone receiving equipment at our principal ship to shore stations along the great lakes, and have made arrangements whereby a telephone instrument can be installed on the ship by which connection can be made to the nearest ship to shore station, and then with automatic connection over the Bell telephone system to any point we wish. A great many companies have installed these sets voluntarily. The cost is about $500 per season. This overcomes the great difficulty of requiring wireless operators on ships, which meant considerable cost. The expense of a wireless installation and an operator was a considerable item for a freighter carrying a small operating crew. One difficulty we have

is to get uniform regulations with the United States. The business on the great lakes is highly competitive, and we have always kept our regulations a little more stringent than those of the United States. We are having conversations at present which we hope will lead to the adoption of standard rules, which will enable us to make sure that freighters, down to a very small size, are required at all times to have communication with the shore.

Mr. MASSEY: Would the minister be good enough to explain the activities to be carried forward under this item, in relation to those to be carried forward under item No. 388?

Mr. HOWE: Item No. 388 covers simply the radio beams for the airways. These are the ship to shore direction finding stations that we have all along our coasts. This service is one of the principal aids to navigation to-day. We have the shore direction finding stations; radio beacons; radiotelegraph stations, which go up into the arctic, along the great lakes and on both the Atlantic and Pacific coasts. It is an extensive service which has been built up over a series of years.

Item agreed to.

POST OFFICE DEPARTMENT

Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices, $14,624,470.

Mr. MacNICOL: Is this the item that was under discussion last Friday evening?

Hon. W. D. EULER (Acting Postmaster General): It is.

Mr. MacNICOL: I have not very much more to ask the acting Postmaster General, and perhaps he can tell me what I want to know. On Friday evening the acting minister gave some figures in connection with the new post office station "L" on St. Clair avenue west in Toronto, and also some figures in connection with the old station "L." At that time he made the statement that the cost per foot of space in the new post office was seventy-eight cents. As a matter of fact it is 78·8 cents, almost seventy-nine cents. During the same evening I made the statement that the Post Office Department could have had an additional 720 square feet in the old post office. The acting minister gave the figures of the architect, showing that the ground floor space in the former post office was 3,775 feet and the basement space 1,880 feet, or a total of 5,655 feet. The department could have had an additional 720 square feet on the ground floor, with the same space in the basement, which would have given a total space of 6,460 square feet. I believe the department has on file a letter from the owners of the former post office building indicating that the department could have had the additional space for an additional $50 a month or $600 a year, which would have made the rental for the old building $5,400 plus $600, or a total of $6,000, which is equivalent to eighty cents a square foot.

So apparently the department went to all that trouble and inconvenienced thousands of people for about 1·2 cents per foot under what they were paying before. I know the minister is a business man; I have every reason to believe that he has been successful, and what I should like to ask him is this: Would he have liked any private person, let alone a government, to treat him as the Post Office Department treated the owner of that building? I am sure he would not. I think it was a shocking exhibition. I cannot find language to describe the sort of treatment that was accorded the owner of that property.

An hon. MEMBER: Shabby.

Mr. MacNICOL: I shall not use that word. I like to use nice, genteel words, particularly to the acting minister. He is a business man, and business men do not usually treat other business men in a shabby manner, so I shall not use that word in talking to the hon. gentleman. But I repeat that I do not believe there is a business man in this country, unless he did it for some very, very strange reasons which he would not like to disclose, who would treat another business man as this government treated the owner of that property. The building was constructed in accordance with plans which, if not prepared by the department, were o.-k.'d by the government when the present administration was in power previously. It will cost the owner a large sum of money to change that splendid building from use as a post office to use as anything else. The main door is in the centre of the building. It will have to be pulled down and the whole front wall pulled out in order to reconstruct the building for other commercial use, and I believe that is being done now.

The acting minister should tell the committee why this outrageous treatment was meted out to a Canadian citizen. The minister would not do it. I would not do it. Why did the department do it? It certainly was not to gain a few additional feet of space because, according to the figures I have quoted,

they could have had a total of 7,460 square feet in the old building, and according to their own figures they went into a place where they have only 8,671 feet, so that is a mere bagatelle larger. In addition they went into a building that has only two outside walls, back and front, whereas the building they left had three outside walls. There must have been some other reason behind the action taken than the desire for a little more space. I also understand that a petition was circulated. I did not see it; it was taken around while I was in the old country, but I believe the petition was signed by the large majority of the merchants in that community. I am further sure that if they had gone to the residents of that community whose children did go to the old station "L" on St. Clair avenue, west of Oakwood avenue, they would have found the citizens of the community would have signed a petition against moving it. Certainly there is little excuse for changing the post office from west to east of Oakwood avenue.

Mr. EULER: In reply I can only reiterate what I said the other evening when these estimates were under consideration, except perhaps to add that there seems to have been a difference, not of opinion, but as to certain facts. I said the other evening that under the old contract we were paying for the former building at the rate of ninety-five cents per square foot, and that the new contract is at the rate of seventy-eight cents.

Mr. MacNICOL: It is 78·8.

Mr. EULER: Make it seventy-nine, and be generous about it. Then, much to my surprise, the hon. member said that the additional space had been offered free by the owner of the former building.

Mr. MacNICOL: To-night I said $50 a month.

Mr. EULER: To-night he has corrected it to the extent of saying that the proprietor asked an additional $50 a month. That was an important point in my mind, and I had inquiries made. The result is that I find there is nothing whatsoever in the department which offers the space either free or at any definite figure. That being the case, I simply have to assume that if he offered the additional space, and did not indicate the figure of $50, it would be offered at the same rate we were paying, namely ninety-five cents per square foot. Under those circumstances we were getting new premises at the rate of seventy-eight cents per square foot. The fact that we obtained a very large additional space of 3,016 feet, which gave us 8,671 feet in the new premises, as compared with 5,655 in the old; the fact that the department needed more space at that point, and the additional fact that we were getting it at seventy-eight cents instead of ninety-five cents per square foot, would seem to be sufficient reason for making the change. I am afraid I can add nothing further.

Mr. MacNICOL: I quite appreciate that had the acting minister been the Postmaster General, he would have done as any other business man would have done, namely, have inquired if the owner of the building had more space available. Had the Postmaster General looked up the correspondence which took place when the former Conservative government was in office, he would have found on file letters from the owner offering an additional store space, 18 by 40 feet, or 720 square feet. As I said before, it was only a night or two before I went away that I heard of the proposed change. At that time the owner came to see me to find out if I knew anything about it. I said I did not, but I would telephone the Minister of Public Works. I believe I wired him and, following that, wrote him, to get the information.

Apparently at that time no contract had been signed. I understood from the owner at that time that sooner than lose the government as a tenant—because, paying regularly, the government is a good tenant—he would include the store with the post office at the same money. I took the trouble on Saturday morning last to write to Toronto to find out if I was right in making that statement. I received a letter back from the owner telling me that he would have asked $50 more.

Mr. EULER: He would have?

Mr. MacNICOL: Yes.

Mr. EULER: But did he? Did he actually make that offer?

Mr. MacNICOL: I do not know. Did the government ask him if they could have more space?

Mr. FACTOR: Does he own the property which the hon. member says he offered to rent to the government?

Mr. MacNICOL: The government has been his tenant for ten years, since the building was built under the direction of the former Liberal government.

Mr. FACTOR: Extra space?

Mr. MacNICOL: Yes. I am sure the hon. member for Spadina knows the building well; I refer to the one at the corner of Appleton and St. Clair avenues. The former post office

faces on St. Clair avenue. It is on the northeast corner. Then, east of the main entrance, in the same building, is a store. I know that the former government, while in office, was offered the whole building, and I am surprised to hear the acting minister say that no inquiry was made of the owner as to whether or not they could have more space.

Mr. EULER: I did not say that.

Mr. MacNICOL: I am glad to hear that. Did the government inquire?

Mr. EULER: I do not know.

Mr. MacNICOL: Do the officials know?

Mr. FACTOR: May I interrupt the hon. member to tell him that the owner's solicitor had seen me, and had told me that the owner of the old post office had no further space to give to the government.

Mr. MacNICOL: Yes, but I know the hon. member for Trinity—I mean Spadina—knows as well as I do—

Mr. FACTOR: I am not the member for Trinity.

Mr. MacNICOL: He knows as well as I do that it is one building. In the first place the government rented part of the building, and they left the store on the right side of the front door. The hon. member for Trinity knows that well, because he lives out there.

Mr. FACTOR: I am not the member for Trinity.

Mr. MacNICOL: For Spadina, then.

Mr. EULER: I do not know that much is to be gained by continuing this discussion. I am sure the hon. member will accept my answer when I say that I have asked for all the correspondence there is in the matter and it discloses that there is nothing in the department to indicate that the owner of the first property ever offered the property either for the additional amount of $50 a month, or free. The hon. member now admits that it was not offered free. I would say this without attempting—to use a vulgar term—to pass the buck, if there were any necessity to secure a new space it would not be the Post Office Department that would enter into negotiations; it would be the Department of Public Works. But I would still say that in the final analysis the department required more space, and that it received more space at a less price per foot than we were paying before. That is my final answer.

Mr. MacNICOL: I cannot let the acting minister get away with the statement that he received more space at a less price per foot, basing his statement on his figures of a few moments ago, namely 78.8 cents and ninety-five cents. As I have said, with the additional part the department could have had, the price then would have been eighty cents per foot, or 1.2 cents more per foot.

Mr. EULER: I have no knowledge that that was ever offered to the department. I do not question the hon. member's word when he says he had a conversation with the owner, and that he was told that an offer had been made at $50 a month extra. But so far as I know, the department has no knowledge of that offer, and I think it would be fair to assume that if he wanted to rent us more space, naturally he would be asking the same rate per square foot as he received for the space we already had.

Mr. MacNICOL: The acting minister would not treat anybody like that. He is too square a man to treat anybody like that—after having a tenant for ten years to just—

Mr. EULER: Did the hon. member say I was a squarehead or a square man?

Mr. MacNICOL: I said "a square man." I would not say anything unkind about the minister.

Mr. EULER: I am sure the hon. member would not.

Mr. MacNICOL: But I would not treat anybody like that, and the minister would not, either. I have quite a number of tenants, and certainly I would not expect to be treated like that by a tenant, nor would I treat a tenant in that way. I say this is one of the shabbiest transactions between the government as a tenant and the owner of a building I have ever come in contact with, and I do not believe for a moment that more space is all that was behind this.

Mr. HEAPS: From what I have heard of this discussion I would not be surprised if there was a nigger somewhere in the woodpile.

Mr. MacNICOL: Half a dozen.

Mr. HEAPS: I was thinking of only one. If that nigger could be discovered, I think we would find written across him the word "patronage."

Mr. LAWSON: In whitewash.

Mr. HEAPS: I think something should be said about patronage while we are discussing this particular vote. I am very much opposed to patronage and I think the less hon. members

have to do with it, the better it would be for them, the better for the House of Commons and the better for the country as a whole.

Mr. DUNNING: And for the ministers.

Mr. HEAPS: And for the ministers. I cannot understand why hon. members should be so anxious to have patronage bestowed upon them. Some hon. members may say that I am not on the government side and do not realize the pressure to which they are subjected; they may say that I am freer to speak than they; but there have been one or two occasions when a little patronage has been offered to me and I was happy to have nothing to do with it. I do not think patronage brings any friends to a member. I think the member who tries to dispense patronage to his constituents or to his friends ultimately makes more enemies than friends.

Patronage has a demoralizing effect upon the public life of the country and I for one would like to see it absolutely abolished. I know the minister will realize that I am not speaking in a personal way. I do not know of any minister who has been more anxious to do away with the evils of patronage than the minister who is taking charge to-night of the estimates of the Post Office Department. For years, whenever a change in government occurred, whether from Liberal to Conservative or Conservative to Liberal, the question of patronage in the Post Office Department has always come up. I remember in 1930 and 1931 when there was a great outcry from members of the Liberal party about the many changes made in the postal service. I quite agreed with them that those changes were entirely unjustified and were not in the interests of the Post Office Department.

There is one particular form of patronage to which I desire to direct the attention of the minister at this particular time. I do not believe the minister or the officials of the department can give efficient and sound administration so long as patronage is handed out by hon. members to their constituents or friends. I am informed that in the post offices in the principal cities certain persons are permitted to sell stamps to the public. I am told that these people get this privilege through patronage. I cannot understand why private individuals should be permitted to come into a public institution to sell stamps. The stamps are sold to these private concerns, as they might be termed, and they in turn sell them to the public at a slight profit. I am informed further that the stamps purchased by the government, stamps produced by the government, are purchased through these contractors who make a certain profit on the sale. To me that is almost unbelievable.

Has the minister any information in that regard? I have been told that this condition exists in most of the large cities. Why should a private concern be permitted to sell government stamps in a government building? If this condition does exist, I should like to know if the minister intends to take immediate steps to see that it is ended. The government should sell its own stamps in its own buildings.

Mr. SPENCE: I happen to know the owner of the old post office referred to by the hon. member for Davenport (Mr. MacNicol). The man was in the same business in which I was engaged for many years. I consider that the action taken was one of the most unscrupulous things a government could do. The acting minister may not be able to give a full answer, and I do not think we would expect him to. This building was built by Mr. Calderone at the suggestion of the Post Office Department in Ottawa at a considerable cost to suit their purposes. The change was not made by this government in order to save money; it was made to help some friends of my hon. friends who had two stores on the other side of the street a little further down which could not be rented at a reasonable price. Calderone had no opportunity to offer the government extra space. When we were in power he told us that he would increase the space if necessary and at that time we took a lease for three years.

I do not think any minister can rise in his place and defend the Post Office Department for the action taken in this particular case. This post office was built to the order of the department. I say that because the architect of the department in Toronto knew all about the specifications and plans. As the hon. member for Davenport has said, extra space could have been obtained at a cost no greater than what is being paid to-day. Even if the cost were greater, this government should have done the decent thing. It makes no difference to me personally as I am no longer engaged in the food business, but I like to see everyone get a square deal.

I am not so down on patronage as my hon. friend to my left, but I believe the benefit of the doubt should be given when it does not cost any more. In this particular case it was a matter of helping friends of my hon. friends who had two stores that they wanted to rent and could not. Calderone will have to tear out the whole front of his store at a probable cost of $4,000 to $5,000 to make it

suitable for business purposes. To my mind, the action taken was a most unscrupulous thing for a government to do.

Mr. GREEN: Would the minister explain the manner of engaging help in the cities for the Christmas rush? At the last session it was suggested to the Postmaster General that soldiers engaged at Christmas should be engaged through the veterans' assistance commission. As the minister knows, honorary committees were set up in many cities under this commission for the purpose of trying to get work for unemployed veterans. As I say, we suggested last session that all soldier help should be obtained through these committees. Despite this suggestion and a tentative promise by the Postmaster General, very few if any of the soldiers engaged in Vancouver were engaged through the honorary committee there. I believe all appointments were made through the Liberal association. This is most unfair to the unemployed veterans and to these local committees under the veterans' assistance commission. The members of these committees serve without remuneration of any kind, and I suggest to the acting minister that the practice of which I complain should not be followed during the coming Christmas season. The department should go to these honorary committees and get the names of unemployed veterans, and there should be no interference at all by political organizations.

Mr. EULER: My hon. friend inquires as to how the appointments are made for the Christmas business. I can speak from personal experience in my own riding, and I take it that the same thing is followed pretty well throughout. First of all, there is an eligible list which the civil service commission has, and which, as the hon. gentleman knows, is made up largely of returned men. In any particular post office where extra help is required, this list is drawn upon and when it is exhausted other sources must be found. In my own case, which I believe applies in probably all other cities—and I know of no such committee as my hon. friend speaks of; at any rate it did not exist in my own district—the practice that has been followed has been usually to apply to the soldier organizations to suggest others to supplement the eligible list when it has been exhausted. In some instances perhaps a few other men may be added. Perhaps I may be criticized for what I am about to say, but I for one would not say that absolutely in every instance a returned man must be chosen. The great majority of them are, of course, returned men, but it is quite possible that a man with a large family who has been out of work for some time might be taken on. There may be instances where such men with large families are given jobs, one or two or three of them, and that would be justifiable. Otherwise the practice, as I have stated it, applies pretty well throughout the country.

Mr. GREEN: I am not complaining about some of the men engaged being civilians, but there are fifteen or twenty cities in which this government has set up honorary committees to try to find work for unemployed returned men, and in Vancouver there were over five thousand returned men registered with the local committee. We understood that the post office, in getting soldiers for employment at Christmas time, would go to that committee instead of obtaining the men through political sources. It is a bad principle to force men under these conditions to get political approval, and I would ask that the practice be changed during the next Christmas period.

Mr. HANSELL: I wish to call the attention of the minister to a matter of some importance, and that is with reference to the hours in which the smaller post offices are open. About a year ago I believe the rule was changed. Some of the post offices had been allowed to close for half a day a week, and the rule was changed compelling them to remain open six days in the week. That new rule is working some little hardship on the small post offices, because I believe they are kept open for that extra time at the expense of the postmaster, and in many instances they are not rendering sufficient public service to warrant their being kept open for the full six days. There are some small towns that have a sort of civic half holiday once a week. These smaller towns are situated in farming communities and the post office might as well remain closed on these half holidays. I was talking to a postmaster on one occasion, and he told me that he remained open one Wednesday afternoon when all the stores in the town were closed and that he did busines to the extent of selling a three-cent postage stamp. This nevertheless necessitated his turning on electric lights about four o'clock in the afternoon, burning extra coal and incurring other expense. I would ask the minister, if that arrangement is to be continued, to leave it more or less in the hands of the inspectors and make the rule elastic enough to permit the post office to close for that particular afternoon if the officials so advise.

Mr. EULER: My hon. friend could not have been here the other evening when we discussed this same question. I have a good deal of sympathy with what he says. On that occasion I told the committee that the district inspector, in cases such as the hon.

gentleman has mentioned, has authority to permit the closing of the office for certain periods.

Mr. LENNARD: With reference to the point raised by the hon. member for Vancouver South in connection with extra help employed in the post office in Hamilton, there were 228 men employed, and the postal authorities there were instructed, before the men were hired, to employ veterans up to the number of fifty only. These names were to be obtained from the different veterans' organizations in that city, but the number was limited to fifty. It was not a question of how many veterans were out of work in that period. The names of the other 178 extra employees were obtained from another source, a political source.

With regard to the question discussed by the hon. member for Macleod, the position of sub-post offices, I may say that there are certain sub-post offices on the outskirts of Hamilton where, before these areas were taken into the city, the postmasters received seventy per cent of the sales. Now they receive only two per cent. In several of them the postmasters receive between $15 and $20 a month, and in addition to the great reduction in their remuneration they have been forced in the past two years to remain open on holidays. Not being on regular salary, they are not entitled to any superannuation, and I suggest that their case is one that the department should consider very carefully. It should make some improvement in the remuneration given them.

Mr. EULER: What sort of post offices is the hon. gentleman referring to?

Mr. LENNARD: I am referring to the sub-post offices on the outskirts of Hamilton. Before that area was taken in, the postmasters received seventy per cent of the sales, and now they get only two per cent. Another thing I do not consider fair is that there is no parcel delivery, the parcels being all handled through the post office. They have all the heavy work they had before and the same hours.

Mr. EULER: They would not have the same work in regard to first-class mails; they would have a letter-carrier service.

Mr. LENNARD: There is that difference of course, but they have to keep the same establishment for a longer period than before.

Mr. COLDWELL: With regard to the question raised by the hon. member for Vancouver South (Mr. Green), the acting minister may not know of political patronage exercised in the Post Office Department; but from what we hear from time to time, Liberal committees at the present time have a good deal to do with post office appointments. Moreover, in constituencies represented by opposition members it is commonly stated—I said this in the house last year—that the defeated candidates are consulted from time to time regarding post office and other government services in those constituencies. I notice that, according to the press, the Minister of National Revenue (Mr. Ilsley) has asked to have placed under the civil service commission another group of employees in his department. I assume he realizes that political patronage, whenever or by whom exercised, is an evil.

I am asking the acting Postmaster General if it be not possible that in that department the groups of permanent officials now not within the purview of the civil service commission be placed under that commission; and with regard to post office appointments in the smaller communities and the provision of post offices, they also should be removed from any semblance of political patronage. I notice that one hon. member shakes his head. Well, in my constituency there is at least one post office located in a building which is a disgrace to Canada. Ever since I have been here I have taken up, as I believe my predecessor also did, this matter with the government, but somehow no improvement has been made. I refer to the Pike Lake post office in the province of Saskatchewan. I have visited it. It is a tiny shack, built of cardboard and lumber, and because of the condition of the building there is a smell of dampness and unpleasantness; yet it is situate at quite a popular summer resort. Patrons have petitioned and protested but nothing has been done. What influence retains a service of this description I do not know. I am not blaming the person who is looking after it, because the amount of revenue is small, but I say that other and better buildings in the neighbourhood should be used. I am not thinking of any political appointment. There are in that community Liberals, Conservatives and my own supporters, some of whom, of all parties, could provide accommodation of a better type. But whenever one speaks of these matters, one is told that the person to consult is the defeated candidate rather than the member.

That kind of political patronage is an evil which saps at the very root of efficiency in public service, and the sooner we get down to a business basis in connection with our government services, the sooner this parliament will be more respected than it is to-day. I believe that one of the factors which are undermining the democratic institutions of this

country is the widespread use of political patronage, both provincially and federally; and the sooner we can get away from it—and the Post Office Department is a department where every effort should be made to clean out patronage—the better off Canada will be.

Mr. EULER: The hon. member speaks of a post office building which is quite unfit for occupation. The information I have is that the revenues are $65 a year. We pay the postmaster $100. So, if we want to regard the matter from the point of view of revenue, we can hardly afford a much better building than the one now in use. However, I am free to say that, whether or not the revenues are quite sufficient, every post office building should at least be a credit and should not warrant the description that has been given of the one to which the hon. member refers. I shall be glad to have an investigation made with regard to it.

The hon. member said something more, regarding patronage in the Post Office Department, that all these positions should be placed under the civil service commission. I believe that theoretically I would be inclined to agree with him; but when I point out to him that during the Christmas rush we employed from Halifax to Vancouver some 7,400 extra men for perhaps only a few days, I think he will admit that that is hardly an occasion for action by the civil service commission.

Mr. COLDWELL: I did not mean that.

Mr. EULER: He also made reference to what has been done in the Department of National Revenue. As it happens, that department is merely regularizing by statute a practice which it has been observing for a long time.

Mr. COLDWELL: A good practice.

Mr. EULER: These appointments have been made for some years by the civil service commission, and will continue to be made in that way.

Mr. CLARKE (Rosedale): What was the total cost of the transfer of the business from St. Clair and Appleton avenues to a new location east of Oakwood avenue—the post office which, I think, was referred to a short time ago? I wish to know the total costs of all kinds, including painting and general expenses; also the terms of the lease of the old building which was vacated, the amount per annum paid on that lease, and the total amount per annum that is paid for the new quarters. I understand that both of them are rental propositions. Also, what is the length of the lease of the new premises; what was the remaining duration of the old lease, and why was the change made. I know the building fairly well, and it seems to me that the old place was well located, well established, giving good service, and doing all that could be expected. It is rumoured that this is another case of patronage. I do not wish to have too much of this patronage going on all the time in the Post Office Department.

In my own district, when I made an inquiry last year about the employment of the temporary staff of the Toronto post office, I discovered upon getting the names and addresses that people were hired from all parts of the country, not in Toronto at all. I support the suggestion of the hon. member for Rosetown-Biggar (Mr. Coldwell), that the Post Office Department should rid itself of this terrible condition of patronage. Last year I made inquiries about a change of a sub-post office in my district, and I was informed that the reason was that the defeated Liberal member had the first say in placing or changing the site of that sub-post office. I was surprised to hear that. I did not think patronage dug as deep as that. As an innocent newcomer I was surprised. However, we learn as we go along. Perhaps the acting Postmaster General (Mr. Euler) will give the information.

Mr. EULER: The cost of the removal was $481. Leases were for five years respectively. The former space was 5,655 square feet, costing $5,400 per annum; the present space is 8,671 square feet, costing $6,840, and would have cost at the same rate as we paid for the other space, $8,280 per annum.

Mr. MacNICOL: Why does the minister keep saying what it would have cost, when the department made no inquiry? I might just as well say that if I had bought a certain suit, it would have cost me $125; but I did not buy it; I got one for $25. That is no argument at all.

Mr. EULER: If I paid $80 for one suit and wanted to buy another I would assume I would pay $80.

Mr. MacNICOL: This is not a question of suits; it is something else altogether, namely that the government was offered 7,460 square feet, and the acting Postmaster General says the department did not inquire—

Mr. EULER: I did not say that.

Mr. MacNICOL: I understood the minister to say the department did not inquire from the owner whether they could have more space.

Mr. EULER: No; I did not say that; I said I did not know. But I am informed that they did not.

Mr. MacNICOL: I have said that more space was offered to the former government when the lease was up for renewal, and I say now that had the government inquired as to whether they could have more space, they could have had another 1,440 feet and the cost would then have been eighty cents a foot and not ninety-five cents. At 1·2 cents a foot it will take a long time to save the $480 that the government spent in moving from one place to the other. In my humble judgment this shows very poor business methods.

Mr. BETTS: I wish to add my protest to what has been said by the hon. member for Vancouver South (Mr. Green) as to the manner in which temporary help is employed at Christmas time in my riding. In London there is an honorary committee of the veterans' assistance commission, composed of eight or nine very busy men who have given a great deal of extremely unselfish and excellent work in classifying the returned soldiers in London and establishing a register of unemployed veterans. There is a paid permanent secretary, the only member of the committee who is paid, who is on duty there all the time. That is certainly the best body for selecting temporary help from amongst the veterans, and it should be used. It would be an encouragement to these men who are giving their services to help the returned soldiers and be far more satisfactory to the returned soldier than the present practice of forcing him to trot around to the defeated candidate or the Liberal committee and have his application o.-k.'d. That is manifestly unfair and improper. If the postal department cannot cooperate with the Department of Pensions and National Health by allowing this work to be done by these honorary committees of the veterans' assistance commission where they exist, it is a sad state of affairs.

Mr. STEWART: I wish to supplement the remarks of other hon. members who have spoken as to the existence of political patronage in the administration of the Post Office Department. I speak of what I know in the constituency I represent. A change has come over conditions there; I think that for a considerable time until recently the administration was not of that nature. I find that rural mail routes are changed without any cause, that a post office is moved from a store where it was well established for years and taken a mile or two down to a farm house, to the inconvenience of the patrons of that office. I find a temporary appointment made where a permanent appointment ought to be made, and returned soldiers passed over. I find that as election time draws near these people are approached, canvassed, induced and persuaded, and then if the right result is not obtained, after the election they are punished. I do not think the minister or the officials can be aware of what is going on, of the existence of these conditions; but what I am saying here I have said outside this house and I propose to say it outside the house again at the right time. What I am asking to-night is that when recommendations come along, they be carefully investigated and full information obtained, and that these changes be made on the basis of public service rather than petty political patronage.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.



END OF VOLUME I.